

AMENDED IN ASSEMBLY MAY 28, 2004

AMENDED IN SENATE APRIL 14, 2004

AMENDED IN SENATE APRIL 1, 2004

**SENATE BILL**

**No. 1307**

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**Introduced by Senator Figueroa**

February 17, 2004

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~~An act to amend Sections 4043, 4053, 4054, 4059.5, 4081, 4100, 4105, 4110, 4160, 4164, 4165, 4166, 4196, 4301, 4305.5, 4331, and 4400 of, to amend, repeal, and add Section 4163 of, to add Sections 4021.5, 4022.5, 4034, 4053.1, 4126.5, 4163.5, and 4168 to, to add and repeal Section 4169 of, and to repeal and add Sections 4161 and 4162 of, the Business and Professions Code, relating to drugs. An act to amend Sections 4054, 4165, and 4166 of, to amend, repeal, and add Sections 4043, 4053, 4059.5, 4081, 4100, 4105, 4110, 4160, 4163, 4164, 4169, 4196, 4301, 4305.5, 4331, and 4400 of, to add Sections 4021.5, 4022.5, 4034, 4084, 4085, 4086, 4126.5, 4161.5, 4163.5, and 4186 to, to add and repeal Section 4053.1 of, and to repeal and add Sections 4161 and 4162 of, the Business and Professions Code, relating to drugs.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1307, as amended, Figueroa. Wholesalers and manufacturers of dangerous drugs and devices.

(1) Existing law, the Pharmacy Law, provides for the licensing and regulation of pharmacists and wholesalers of dangerous drugs or dangerous devices by the Pharmacy Board. Existing law requires that dangerous drugs or dangerous devices be dispensed only by licensed pharmacists and only to certain persons or entities. Existing law

provides certain exemptions from this requirement for manufacturers, veterinary food-animal drug retailers, and wholesalers, including those that employ sufficient qualified supervision by a person who possesses a certificate of exemption. Existing law also requires the board to take action against a licensee who is guilty of unprofessional conduct, as defined. Existing law makes a violation of the Pharmacy Law a crime.

This bill~~;~~ would revise the list of persons to whom a pharmacy may furnish dangerous drugs. The bill would also revise the exemption provisions related to manufacturers, veterinary food-animal drug retailers, and wholesalers, and would change the certificate of exemption requirement to a requirement of licensure as a designated representative, as defined. The bill would require a wholesaler to keep track of and report to the board excessive purchases of dangerous drugs by a closed door pharmacy, as defined, and would make the clearly excessive furnishing of dangerous drugs to a closed door pharmacy by a wholesaler unprofessional conduct. The bill would make other related changes.

This bill would, on and after January 1, 2007, would require a pedigree, as defined, to accompany each distribution of a dangerous drug, except that the California State Board of Pharmacy is authorized to extend the compliance date to January 1, 2008, under specified circumstances. It would, on and after that date, prohibit a wholesaler or pharmacy from selling, trading, or transferring a dangerous drug ~~or device~~ without a pedigree, and would prohibit a wholesaler or pharmacy from acquiring a dangerous drug ~~or device~~ without receiving a pedigree.

(2) Existing law prohibits a person from acting as a wholesaler of dangerous drugs or devices without a license.

This bill would require dangerous drugs or dangerous devices to be acquired from a person authorized by law to possess or furnish them. The bill would exempt a licensed drug manufacturer that only ships drugs of its own manufacture from the provisions governing wholesalers, except for the prohibition against furnishing dangerous drugs or devices to an unauthorized person.

(3) Existing law imposes certain licensing and registration requirements on out-of-state manufacturers and wholesalers doing business in this state, and on their principals.

This bill would delete these requirements. The bill instead would make a person located outside the state that ships, mails, or delivers dangerous drugs or dangerous devices into this state a nonresident



wholesaler. The bill would require a nonresident wholesaler to meet specified licensing and reporting requirements, to comply with directions and requests for information, to maintain records in readily retrievable form of dangerous drugs or dangerous devices sold, traded, or transferred to persons in this state, and to designate an exemptee-in-charge to be responsible for compliance with laws governing wholesalers.

(4) Existing law requires any manufacturer who sells or transfers a dangerous drug or dangerous device into this state or who receives a dangerous drug or dangerous device from a person in this state to, upon request, furnish an authorized officer of the law with all records or other documentation of that sale or transfer. Existing law makes a manufacturer who fails or refuses to comply with that request subject to a citation and a fine, an order of abatement, or both.

This bill instead would apply these provisions to a wholesaler licensed by the board. The bill would delete the provision that makes the failure or refusal to comply with a request subject to a citation and a fine, an order of abatement, or both. The bill would require a wholesaler to submit a surety bond of \$100,000, or an equivalent means of security, for each site to be licensed.

(5) The bill would prohibit a county or municipality from issuing a business license for an establishment that requires a wholesaler license unless the establishment possesses a current wholesaler license issued by the board.

The bill would prohibit a person or entity from purchasing, trading, selling, or transferring a dangerous drug or device under specified circumstances, including if he or she knew, or reasonably should have known, the drug or device was adulterated or misbranded. The bill would make a violation of those provisions subject to a specified fine.

The bill would specify to whom a pharmacist may furnish dangerous drugs.

(6) *The bill would make its provisions operative on January 1, 2006, except as specified.*

(7) Because a violation of the requirements and prohibitions created by this bill would be a crime, the bill would impose a state-mandated local program.

~~(7)~~

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.



Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 4021.5 is added to the Business and  
2 Professions Code, to read:

3 4021.5. (a) “Closed door pharmacy” means a pharmacy that  
4 purchases dangerous drugs or dangerous devices for a limited  
5 patient population in limited care settings and that is not open for  
6 dispensing dangerous drugs and dangerous devices to the general  
7 population.

8 (b) A closed door pharmacy shall be separately designated on  
9 the pharmacy license issued by the board.

10 (c) *A pharmacy operated by a health care service plan or*  
11 *hospital primarily to serve its own members or patients shall not*  
12 *be considered a closed door pharmacy.*

13 (d) *This section shall become operative on January 1, 2006.*

14 SEC. 2. Section 4022.5 is added to the Business and  
15 Professions Code, to read:

16 4022.5. (a) “Designated representative” means an  
17 individual to whom a license has been granted pursuant to Section  
18 4053.

19 (b) “Designated representative-in-charge” means a designated  
20 representative or a pharmacist who is the supervisor or manager of  
21 a wholesaler or veterinary food-animal drug retailer.

22 (c) *This section shall become operative on January 1, 2006.*

23 SEC. 3. Section 4034 is added to the Business and Professions  
24 Code, to read:

25 4034. (a) “Pedigree” means a record, ~~in written or electronic~~  
26 form, containing information regarding each transaction  
27 ~~involving~~ *resulting in a change of ownership of* a given dangerous  
28 drug, from sale by a manufacturer, through acquisition and sale by  
29 a wholesaler, until final sale to a pharmacy or other person  
30 furnishing, administering, or dispensing the dangerous drug.

31 (b) A pedigree shall include all of the following information:

(1) The source of the dangerous drug, including the name, state license number, including California license number if available, and principal address of the source.

(2) The quantity of the dangerous drug, its dosage form and strength, the date of the transaction, the sales invoice number, the container size, the number of containers, the expiration dates, and the lot numbers.

(3) The business name, address, and if appropriate, the state license number, including a California license number if available, of each owner of the dangerous drug, and the dangerous drug shipping information, including the name and address of each person certifying delivery or receipt of the dangerous drug.

(4) A certification under penalty of perjury from a responsible party of the source of the dangerous drug that the information contained in the pedigree is true and accurate.

*(c) If a licensed health care service plan, hospital organization, and one or more physician organizations have exclusive contractual relationships to provide health care services, drugs distributed between these persons shall be deemed not to have changed ownership.*

*(d) This section shall become operative on January 1, 2007.*

SEC. 4. Section 4043 of the Business and Professions Code is amended to read:

4043. (a) “Wholesaler” means and includes a person who acts as a wholesale merchant, broker, jobber, customs broker, reverse distributor, or agent, including a nonresident wholesaler, who sells for resale, or negotiates for distribution, or takes possession of, any drug or device included in Section 4022. Unless otherwise authorized by law, a wholesaler may not store, warehouse, or authorize the storage or warehousing of drugs with any person or at any location not licensed by the board.

*(b) This section shall become inoperative and is repealed on January 1, 2006, unless a later enacted statute, that becomes operative before January 1, 2006, amends or repeals that date.*

~~SEC. 5. Section 4053 of the Business and Professions Code is amended to read:~~

~~4053. (a) Subdivision (a) of Section 4051 shall not apply to a veterinary food animal drug retailer or wholesaler that employs a designated representative to adequately safeguard and protect the public health, nor shall Section 4051 apply to any laboratory~~

1 ~~licensed under Section 351 of Title III of the Public Health Service~~  
2 ~~Act (Public Law 78-410).~~

3 ~~(b) An individual may apply for a designated representative~~  
4 ~~license. In order to obtain and maintain that license, the individual~~  
5 ~~shall meet all of the following requirements:~~

6 ~~(1) He or she shall be a high school graduate or possess a~~  
7 ~~general education development equivalent.~~

8 ~~(2) He or she shall have a minimum of one year of paid work~~  
9 ~~experience, in the past three years, related to the distribution or~~  
10 ~~dispensing of dangerous drugs or dangerous devices or meet all of~~  
11 ~~the prerequisites to take the examination required for licensure as~~  
12 ~~a pharmacist by the board.~~

13 ~~(3) He or she shall complete a training program approved by the~~  
14 ~~board that, at a minimum, addresses each of the following subjects:~~

15 ~~(A) Knowledge and understanding of California law and~~  
16 ~~federal law relating to the distribution of dangerous drugs and~~  
17 ~~dangerous devices.~~

18 ~~(B) Knowledge and understanding of California law and~~  
19 ~~federal law relating to the distribution of controlled substances.~~

20 ~~(C) Knowledge and understanding of quality control systems.~~

21 ~~(D) Knowledge and understanding of the United States~~  
22 ~~Pharmacopoeia standards relating to the safe storage and handling~~  
23 ~~of drugs.~~

24 ~~(E) Knowledge and understanding of prescription~~  
25 ~~terminology, abbreviations, dosages and format.~~

26 ~~(4) The board may, by regulation, require training programs to~~  
27 ~~include additional material.~~

28 ~~(5) The board may not issue a license as a designated~~  
29 ~~representative until the applicant provides proof of completion of~~  
30 ~~the required training to the board.~~

31 ~~(e) The veterinary food-animal drug retailer or wholesaler shall~~  
32 ~~not operate without a pharmacist or a designated representative on~~  
33 ~~its premises.~~

34 ~~(d) Only a pharmacist or a designated representative shall~~  
35 ~~prepare and affix the label to veterinary food-animal drugs.~~

36 ~~SEC. 6.—~~

37 *SEC. 5. Section 4043 is added to the Business and Professions*  
38 *Code, to read:*

39 *4043. (a) "Wholesaler" means and includes a person who*  
40 *acts as a wholesale merchant, broker, jobber, customs broker,*

1 reverse distributor, or agent, including a nonresident wholesaler,  
2 who sells for resale, or negotiates for distribution, or takes  
3 possession of, any drug or device included in Section 4022. Unless  
4 otherwise authorized by law, a wholesaler may not store,  
5 warehouse, or authorize the storage or warehousing of drugs with  
6 any person or at any location not licensed by the board.

7 (b) This section shall become operative on January 1, 2006.

8 SEC. 6. Section 4053 of the Business and Professions Code is  
9 amended to read:

10 4053. (a) Subdivision (a) of Section 4051 shall not apply to  
11 a ~~manufacturer~~, veterinary food-animal drug retailer, or  
12 wholesaler if the board shall find that sufficient, qualified  
13 supervision is employed by the ~~manufacturer~~, veterinary  
14 food-animal drug retailer, or wholesaler to adequately safeguard  
15 and protect the public health, nor shall Section 4051 apply to any  
16 laboratory licensed under Section 351 of Title III of the Public  
17 Health Service Act (Public Law 78-410).

18 (b) An individual employed by a ~~manufacturer~~, veterinary  
19 food-animal drug retailer, or wholesaler may apply for an  
20 exemption from Section 4051. In order to obtain and maintain that  
21 exemption, the individual shall meet the following requirements:

22 (1) He or she shall be a high school graduate or possess a  
23 general education development equivalent.

24 (2) He or she shall have a minimum of one year of paid work  
25 experience related to the distribution or dispensing of dangerous  
26 drugs or dangerous devices or meet all of the prerequisites to take  
27 the examination required for licensure as a pharmacist by the  
28 board.

29 (3) He or she shall complete a training program approved by the  
30 board that, at a minimum, addresses each of the following subjects:

31 (A) Knowledge and understanding of state and federal law  
32 relating to the distribution of dangerous drugs and dangerous  
33 devices.

34 (B) Knowledge and understanding of state and federal law  
35 relating to the distribution of controlled substances.

36 (C) Knowledge and understanding of quality control systems.

37 (D) Knowledge and understanding of the United States  
38 Pharmacopoeia standards relating to the safe storage and handling  
39 of drugs.



1 (E) Knowledge and understanding of prescription  
2 terminology, abbreviations, dosages and format.

3 (4) The board may, by regulation, require training programs to  
4 include additional material.

5 (5) The board may, by regulation, require training programs to  
6 include additional material.

7 (6) The board shall not issue a certificate of exemption until the  
8 applicant provides proof of completion of the required training to  
9 the board.

10 (c) ~~The manufacturer, veterinary food-animal drug retailer, or~~  
11 wholesaler shall not operate without a pharmacist or an individual  
12 in possession of a certificate of exemption on its premises.

13 (d) Only a pharmacist or an individual in possession of a  
14 certificate of exemption shall prepare and affix the label to  
15 veterinary food-animal drugs.

16 (e) *This section shall become inoperative and is repealed on*  
17 *January 1, 2006, unless a later enacted statute, that becomes*  
18 *operative before January 1, 2006, amends or repeals that date.*

19 SEC. 7. Section 4053 is added to the Business and Professions  
20 Code, to read:

21 4053. (a) *Subdivision (a) of Section 4051 shall not apply to*  
22 *a veterinary food-animal drug retailer or wholesaler that employs*  
23 *a designated representative to adequately safeguard and protect*  
24 *the public health, nor -shall Section 4051 apply to any laboratory*  
25 *licensed under Section 351 of Title III of the Public Health Service*  
26 *Act (Public Law 78-410).*

27 (b) *An individual may apply for a designated representative*  
28 *license. In order to obtain and maintain that license, the individual*  
29 *shall meet all of the following requirements:*

30 (1) *He or she shall be a high school graduate or possess a*  
31 *general education development equivalent.*

32 (2) *He or she shall have a minimum of one year of paid work*  
33 *experience, in the past three years, related to the distribution or*  
34 *dispensing of dangerous drugs or dangerous devices or meet all of*  
35 *the prerequisites to take the examination required for licensure as*  
36 *a pharmacist by the board.*

37 (3) *He or she shall complete a training program approved by*  
38 *the board that, at a minimum, addresses each of the following*  
39 *subjects:*



1 (A) Knowledge and understanding of California law and  
2 federal law relating to the distribution of dangerous drugs and  
3 dangerous devices.

4 (B) Knowledge and understanding of California law and  
5 federal law relating to the distribution of controlled substances.

6 (C) Knowledge and understanding of quality control systems.

7 (D) Knowledge and understanding of the United States  
8 Pharmacopoeia standards relating to the safe storage and  
9 handling of drugs.

10 (E) Knowledge and understanding of prescription terminology,  
11 abbreviations, dosages and format.

12 (4) The board may, by regulation, require training programs to  
13 include additional material.

14 (5) The board may not issue a license as a designated  
15 representative until the applicant provides proof of completion of  
16 the required training to the board.

17 (c) The veterinary food-animal drug retailer or wholesaler  
18 shall not operate without a pharmacist or a designated  
19 representative on its premises.

20 (d) Only a pharmacist or a designated representative shall  
21 prepare and affix the label to veterinary food-animal drugs.

22 (e) This section shall become operative on January 1, 2006.

23 SEC. 8. Section 4053.1 is added to the Business and  
24 Professions Code, to read:

25 4053.1. (a) Certificates of exemption issued or renewed  
26 pursuant to Section 4053 prior to January 1, 2005, shall remain  
27 valid until their expiration date or until January 1, ~~2006~~ 2007,  
28 whichever date is earlier.

29 (b) Individuals in possession of a current and valid certificate  
30 of exemption shall be issued a license as a designated  
31 representative if the individual satisfies the requirements of  
32 Section 4053 and pays the fee required by subdivision (i) of  
33 Section 4400.

34 (c) This section shall become inoperative and be repealed on  
35 January 1, ~~2006~~ 2007, unless a later enacted statute, that becomes  
36 operative on or before December 31, ~~2005~~ 2006, amends or  
37 repeals that date.

38 ~~SEC. 7.—~~

39 SEC. 9. Section 4054 of the Business and Professions Code is  
40 amended to read:

1 4054. Section 4051 shall not apply to a manufacturer or  
2 wholesaler that provides dialysis drugs and devices directly to  
3 patients.

4 ~~SEC. 8. Section 4059.5 of the Business and Professions Code~~  
5 ~~is amended to read:~~

6 ~~4059.5. (a) Except as otherwise provided in this chapter,~~  
7 ~~dangerous drugs or dangerous devices may only be ordered by an~~  
8 ~~entity licensed by the board and shall be delivered to the licensed~~  
9 ~~premises and signed for and received by the pharmacist in charge~~  
10 ~~or, in his or her absence, another pharmacist designated by the~~  
11 ~~pharmacist in charge. Where a licensee is permitted to operate~~  
12 ~~through a designated representative, the designated representative~~  
13 ~~may sign for and receive the delivery.~~

14 ~~(b) A dangerous drug or dangerous device transferred, sold, or~~  
15 ~~delivered to any person within this state shall be transferred, sold,~~  
16 ~~or delivered only to an entity licensed by the board, to a~~  
17 ~~manufacturer, or to an ultimate user or the ultimate user's agent.~~

18 ~~(c) Notwithstanding subdivisions (a) and (b), deliveries to a~~  
19 ~~hospital pharmacy may be made to a central receiving location~~  
20 ~~within the hospital. However, the dangerous drugs or dangerous~~  
21 ~~devices shall be delivered to the licensed pharmacy premises~~  
22 ~~within one working day following receipt by the hospital, and the~~  
23 ~~pharmacist on duty at that time shall immediately inventory the~~  
24 ~~drugs or devices.~~

25 ~~(d) Notwithstanding any other provision of law, a dangerous~~  
26 ~~drug or dangerous device may be ordered by and provided to a~~  
27 ~~manufacturer, physician, dentist, podiatrist, optometrist,~~  
28 ~~veterinarian, or laboratory, or a physical therapist acting within the~~  
29 ~~scope of his or her license. A person or entity receiving delivery~~  
30 ~~of any dangerous drugs or devices, or a duly authorized~~  
31 ~~representative of the person or entity, shall sign for the receipt of~~  
32 ~~the dangerous drugs or dangerous devices.~~

33 ~~(e) A dangerous drug or dangerous device shall not be~~  
34 ~~transferred, sold, or delivered to any person outside this state,~~  
35 ~~whether foreign or domestic, unless the transferor, seller, or~~  
36 ~~deliverer does so in compliance with the laws of this state and of~~  
37 ~~the United States and of the state or country to which the drugs or~~  
38 ~~devices are to be transferred, sold, or delivered. Compliance with~~  
39 ~~the laws of this state and the United States and of the state or~~  
40 ~~country to which the drugs or devices are to be delivered shall~~

1 include, but not be limited to, determining that the recipient of the  
2 drugs or devices is authorized by law to receive the drugs or  
3 devices.

4 SEC. 9. ~~Section 4081 of the Business and Professions Code~~  
5 ~~is amended to read:~~

6 4081. ~~(a) All records of manufacture and of sale, acquisition,~~  
7 ~~or disposition of dangerous drugs or dangerous devices shall be at~~  
8 ~~all times during business hours open to inspection by authorized~~  
9 ~~officers of the law, and shall be preserved for at least three years~~  
10 ~~from the date of making. A current inventory shall be kept by every~~  
11 ~~manufacturer, wholesaler, pharmacy, veterinary food-animal drug~~  
12 ~~retailer, physician, dentist, podiatrist, veterinarian, laboratory,~~  
13 ~~clinic, hospital, institution, or establishment holding a currently~~  
14 ~~valid and unrevoked certificate, license, permit, registration, or~~  
15 ~~exemption under Division 2 (commencing with Section 1200) of~~  
16 ~~the Health and Safety Code or under Part 4 (commencing with~~  
17 ~~Section 16000) of Division 9 of the Welfare and Institutions Code~~  
18 ~~who maintains a stock of dangerous drugs or dangerous devices.~~

19 ~~(b) The owner, officer, and partner of a pharmacy, wholesaler,~~  
20 ~~or veterinary food-animal drug retailer shall be jointly responsible,~~  
21 ~~with the pharmacist in charge or designated~~  
22 ~~representative in charge, for maintaining the records and~~  
23 ~~inventory described in this section.~~

24 ~~(c) The pharmacist in charge or designated~~  
25 ~~representative in charge shall not be criminally responsible for~~  
26 ~~acts of the owner, officer, partner, or employee that violate this~~  
27 ~~section and of which the pharmacist in charge or designated~~  
28 ~~representative in charge had no knowledge, or in which he or she~~  
29 ~~did not knowingly participate.~~

30 SEC. 10. ~~Section 4100 of the Business and Professions Code~~  
31 ~~is amended to read:~~

32 4100. ~~Within 30 days after changing his or her address of~~  
33 ~~record with the board or after changing his or her name according~~  
34 ~~to law, a pharmacist, intern pharmacist, technician, or designated~~  
35 ~~representative shall notify the executive officer of the board of the~~  
36 ~~change of address or change of name.~~

37 SEC. 11. ~~Section 4105 of the Business and Professions Code~~  
38 ~~is amended to read:~~

39 4105. ~~(a) All records or other documentation of the~~  
40 ~~acquisition and disposition of dangerous drugs and dangerous~~

1 ~~devices by any entity licensed by the board shall be retained on the~~  
2 ~~licensed premises in a readily retrievable form.~~

3 ~~(b) The licensee may remove the original records or~~  
4 ~~documentation from the licensed premises on a temporary basis~~  
5 ~~for license-related purposes. However, a duplicate set of those~~  
6 ~~records or other documentation shall be retained on the licensed~~  
7 ~~premises.~~

8 ~~(c) The records required by this section shall be retained on the~~  
9 ~~licensed premises for a period of three years from the date of~~  
10 ~~making.~~

11 ~~(d) Any records that are maintained electronically shall be~~  
12 ~~maintained so that the pharmacist in charge, the pharmacist on~~  
13 ~~duty if the pharmacist in charge is not on duty, or, in the case of~~  
14 ~~a veterinary food animal drug retailer or wholesaler, the~~  
15 ~~designated representative on duty, shall, at all times during which~~  
16 ~~the licensed premises are open for business, be able to produce a~~  
17 ~~hard copy and electronic copy of all records of acquisition or~~  
18 ~~disposition or other drug or dispensing-related records maintained~~  
19 ~~electronically.~~

20 ~~(e) (1) Notwithstanding subdivisions (a), (b), and (c), the~~  
21 ~~board, may upon written request, grant to a licensee a waiver of the~~  
22 ~~requirements that the records described in subdivisions (a), (b),~~  
23 ~~and (c) be kept on the licensed premises.~~

24 ~~(2) A waiver granted pursuant to this subdivision shall not~~  
25 ~~affect the board's authority under this section or any other~~  
26 ~~provision of this chapter.~~

27 ~~SEC. 12.—Section 4110 of the Business and Professions Code~~  
28 ~~is amended to read:~~

29 ~~4110.—(a) No person shall conduct a pharmacy in the State of~~  
30 ~~California unless he or she has obtained a license from the board.~~  
31 ~~A license shall be required for each pharmacy owned or operated~~  
32 ~~by a specific person. A separate license shall be required for each~~  
33 ~~of the premises of any person operating a pharmacy in more than~~  
34 ~~one location. The license shall be renewed annually. The board~~  
35 ~~may, by regulation, determine the circumstances under which a~~  
36 ~~license may be transferred.~~

37 ~~(b) The board may, at its discretion, issue a temporary license,~~  
38 ~~when the ownership of a pharmacy is transferred from one person~~  
39 ~~to another, upon the conditions and for any periods of time as the~~  
40 ~~board determines to be in the public interest. A temporary license~~

~~fee shall be established by the board at an amount not to exceed the annual fee for renewal of a license to conduct a pharmacy. When needed to protect public safety, a temporary license may be issued for a period not to exceed 180 days, and may be issued subject to terms and conditions the board deems necessary. If the board determines a temporary license was issued by mistake or denies the application for a permanent license or registration, the temporary license or registration shall terminate upon either personal service of the notice of termination upon the licensee or service by certified mail, return receipt requested, at the licensee's address of record with the board, whichever comes first. Neither for purposes of retaining a temporary license nor for purposes of any disciplinary or license denial proceeding before the board shall the temporary licensee be deemed to have a vested property right or interest in the license.~~

~~(e) An applicant for either the issuance or renewal of a pharmacy license that meets the definition of a closed door pharmacy in Section 4021.5 shall notify the board on a form approved by the board.~~

~~SEC. 13.—~~

*SEC. 10. Section 4059.5 of the Business and Professions Code is amended to read:*

4059.5. (a) Except as otherwise provided in this chapter, dangerous drugs or dangerous devices may only be ordered by an entity licensed by the board and must be delivered to the licensed premises and signed for and received by the pharmacist-in-charge or, in his or her absence, another pharmacist designated by the pharmacist-in-charge. Where a licensee is permitted to operate through an exemptee, the exemptee may sign for and receive the delivery.

(b) A dangerous drug or dangerous device transferred, sold, or delivered to any person within this state shall be transferred, sold, or delivered only to an entity licensed by the board, to a manufacturer, or to an ultimate user or the ultimate user's agent.

(c) Notwithstanding subdivisions (a) and (b), deliveries to a hospital pharmacy may be made to a central receiving location within the hospital. However, the dangerous drugs or dangerous devices shall be delivered to the licensed pharmacy premises within one working day following receipt by the hospital, and the

1 pharmacist on duty at that time shall immediately inventory the  
2 drugs or devices.

3 (d) Notwithstanding any other provision of law, a dangerous  
4 drug or dangerous device may be ordered by and provided to a  
5 manufacturer, physician, dentist, podiatrist, optometrist,  
6 veterinarian, or laboratory, or a physical therapist acting within the  
7 scope of his or her license. Any person or entity receiving delivery  
8 of any dangerous drugs or devices, or a duly authorized  
9 representative of the person or entity, shall sign for the receipt of  
10 the dangerous drugs or dangerous devices.

11 (e) A dangerous drug or dangerous device shall not be  
12 transferred, sold, or delivered to any person outside this state,  
13 whether foreign or domestic, unless the transferor, seller, or  
14 deliverer does so in compliance with the laws of this state and of  
15 the United States and of the state or country to which the drugs or  
16 devices are to be transferred, sold, or delivered. Compliance with  
17 the laws of this state and the United States and of the state or  
18 country to which the drugs or devices are to be delivered shall  
19 include, but not be limited to, determining that the recipient of the  
20 drugs or devices is authorized by law to receive the drugs or  
21 devices.

22 (f) *This section shall become inoperative and is repealed on*  
23 *January 1, 2006, unless a later enacted statute, that becomes*  
24 *operative on or before December 31, 2005, amends or repeals that*  
25 *date.*

26 SEC. 11. *Section 4059.5 is added to the Business and*  
27 *Professions Code, to read:*

28 4059.5. (a) *Except as otherwise provided in this chapter,*  
29 *dangerous drugs or dangerous devices may only be ordered by an*  
30 *entity licensed by the board and shall be delivered to the licensed*  
31 *premises and signed for and received by the pharmacist-in-charge*  
32 *or, in his or her absence, another pharmacist designated by the*  
33 *pharmacist-in-charge. Where a licensee is permitted to operate*  
34 *through a designated representative, the designated representative*  
35 *may sign for and receive the delivery.*

36 (b) *A dangerous drug or dangerous device transferred, sold, or*  
37 *delivered to any person within this state shall be transferred, sold,*  
38 *or delivered only to an entity licensed by the board, to a*  
39 *manufacturer, or to an ultimate user or the ultimate user's agent.*



(c) Notwithstanding subdivisions (a) and (b), deliveries to a hospital pharmacy may be made to a central receiving location within the hospital. However, the dangerous drugs or dangerous devices shall be delivered to the licensed pharmacy premises within one working day following receipt by the hospital, and the pharmacist on duty at that time shall immediately inventory the drugs or devices.

(d) Notwithstanding any other provision of law, a dangerous drug or dangerous device may be ordered by and provided to a manufacturer, physician, dentist, podiatrist, optometrist, veterinarian, or laboratory, or physical therapist acting within the scope of his or her license. A person or entity receiving delivery of any dangerous drugs or devices, or a duly authorized representative of the person or entity, shall sign for the receipt of the dangerous drugs or dangerous devices.

(e) A dangerous drug or dangerous device shall not be transferred, sold, or delivered to any person outside this state, whether foreign or domestic, unless the transferor, seller, or deliverer does so in compliance with the laws of this state and of the United States and of the state or country to which the drugs or devices are to be transferred, sold, or delivered. Compliance with the laws of this state and the United States and of the state or country to which the drugs or devices are to be delivered shall include, but not be limited to, determining that the recipient of the drugs or devices is authorized by law to receive the drugs or devices.

(f) This section shall become operative on January 1, 2006.

SEC. 12. Section 4081 of the Business and Professions Code is amended to read:

4081. (a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs or dangerous devices shall be at all times during business hours open to inspection by authorized officers of the law, and shall be preserved for at least three years from the date of making. A current inventory shall be kept by every manufacturer, wholesaler, pharmacy, veterinary food-animal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment holding a currently valid and unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing with Section 1200) of the Health and Safety Code or under Part 4 (commencing with



1 Section 16000) of Division 9 of the Welfare and Institutions Code  
2 who maintains a stock of dangerous drugs or dangerous devices.

3 (b) The owner, officer, and partner of any pharmacy,  
4 wholesaler, or veterinary food-animal drug retailer shall be jointly  
5 responsible, with the pharmacist-in-charge or exemptee, for  
6 maintaining the records and inventory described in this section.

7 (c) The pharmacist-in-charge or exemptee shall not be  
8 criminally responsible for acts of the owner, officer, partner, or  
9 employee that violate this section and of which the  
10 pharmacist-in-charge or exemptee had no knowledge, or in which  
11 he or she did not knowingly participate.

12 (d) This section shall become ~~operative on July 1, 2001~~  
13 *inoperative and is repealed on January 1, 2006, unless a later*  
14 *enacted statute, that becomes operative on or before January 1,*  
15 *2006, amends or repeals that date.*

16 *SEC. 13. Section 4081 is added to the Business and*  
17 *Professions Code, to read:*

18 *4081. (a) All records of manufacture and of sale, acquisition,*  
19 *or disposition of dangerous drugs or dangerous devices shall be at*  
20 *all times during business hours open to inspection by authorized*  
21 *officers of the law, and shall be preserved for at least three years*  
22 *from the date of making. A current inventory shall be kept by every*  
23 *manufacturer, wholesaler, pharmacy, veterinary food-animal drug*  
24 *retailer, physician, dentist, podiatrist, veterinarian, laboratory,*  
25 *clinic, hospital, institution, or establishment holding a currently*  
26 *valid and unrevoked certificate, license, permit, registration, or*  
27 *exemption under Division 2 (commencing with Section 1200) of*  
28 *the Health and Safety Code or under Part 4 (commencing with*  
29 *Section 16000) of Division 9 of the Welfare and Institutions Code*  
30 *who maintains a stock of dangerous drugs or dangerous devices.*

31 *(b) The owner, officer, and partner of a pharmacy, wholesaler,*  
32 *or veterinary food-animal drug retailer shall be jointly*  
33 *responsible, with the pharmacist-in-charge or designated*  
34 *representative-in-charge, for maintaining the records and*  
35 *inventory described in this section.*

36 *(c) The pharmacist-in-charge or designated*  
37 *representative-in-charge shall not be criminally responsible for*  
38 *acts of the owner, officer, partner, or employee that violate this*  
39 *section and of which the pharmacist-in-charge or designated*

1 *representative-in-charge had no knowledge, or in which he or she*  
2 *did not knowingly participate.*

3 *(d) This section shall become operative on January 1, 2006.*

4 *SEC. 14. Section 4084 is added to the Business and*  
5 *Professions Code, to read:*

6 *4084. (a) When a board inspector finds, or has probable*  
7 *cause to believe, that any dangerous drug or dangerous device is*  
8 *adulterated or counterfeit, the board inspector shall affix a tag or*  
9 *other marking to that dangerous drug or dangerous device. The*  
10 *board inspector shall give notice to the person that the dangerous*  
11 *drug or dangerous device bearing the tag or marking has been*  
12 *embargoed.*

13 *(b) When a board inspector has found that an embargoed*  
14 *dangerous drug or dangerous device is not adulterated or*  
15 *counterfeit, a board inspector shall remove the tag or other*  
16 *marking.*

17 *(c) A board inspector may secure a sample or specimen of a*  
18 *dangerous drug or dangerous device. If the board inspector*  
19 *obtains a sample prior to leaving the premises, the board inspector*  
20 *shall leave a receipt describing the sample.*

21 *(d) For the purposes of this article 'counterfeit' shall have the*  
22 *meaning defined in Section 109905 of the Health and Safety Code.*

23 *(e) For the purposes of this article 'adulterated' shall have the*  
24 *meaning defined in Article 2 (commencing with Section 111250)*  
25 *of Chapter 6 of Part 5 of Division 104 of the Health and Safety*  
26 *Code.*

27 *SEC. 15. Section 4085 is added to the Business and*  
28 *Professions Code, to read:*

29 *4085. (a) It is unlawful for any person to remove, sell, or*  
30 *dispose of an embargoed dangerous drug or dangerous device*  
31 *without permission of the board.*

32 *(b) When a board inspector has reasonable cause to believe,*  
33 *that the embargo will be violated, a board inspector may remove*  
34 *the embargoed dangerous drug or dangerous device from the*  
35 *premises.*

36 *SEC. 16. Section 4086 is added to the Business and*  
37 *Professions Code, to read:*

38 *4086. (a) If a dangerous drug or dangerous device is alleged*  
39 *to be adulterated or counterfeit, the board shall commence*  
40 *proceedings in the superior court in whose jurisdiction the*

1 *dangerous drug or dangerous device is located, for condemnation*  
2 *of the dangerous drug or dangerous device.*

3 *(b) If the court finds that an embargoed dangerous drug or*  
4 *dangerous device is adulterated or counterfeit, the dangerous drug*  
5 *or dangerous device shall, after entry of the judgment, be destroyed*  
6 *at the expense of the claimant or owner, under the supervision of*  
7 *the board. All court costs and fees and all reasonable costs*  
8 *incurred by the board in investigating and prosecuting the action,*  
9 *including, but not limited to, the costs of storage and testing, shall*  
10 *be paid by the claimant or owner of the dangerous drug or*  
11 *dangerous device.*

12 *(c) A superior court of this state may condemn any dangerous*  
13 *drug or dangerous device pursuant to this article. In the absence*  
14 *of an order, the dangerous drug or dangerous device may be*  
15 *destroyed under the supervision of the board who has the written*  
16 *consent of the owner, his or her attorney, or authorized*  
17 *representative. If the board cannot ascertain ownership of the*  
18 *dangerous drug or dangerous device within 30 days of establishing*  
19 *an embargo, the board may destroy the dangerous drug or*  
20 *dangerous device.*

21 *SEC. 17. Section 4100 of the Business and Professions Code*  
22 *is amended to read:*

23 *4100. (a) Within 30 days after changing his or her address of*  
24 *record with the board or after changing his or her name according*  
25 *to law, every pharmacist, intern pharmacist, technician, or*  
26 *exemptee shall notify the executive officer of the board of the*  
27 *change of address or change of name.*

28 *(b) This section shall become inoperative and is repealed on*  
29 *January 1, 2006, unless a later enacted statute, that becomes*  
30 *operative on or before January 1, 2006, amends or repeals that*  
31 *date.*

32 *SEC. 18. Section 4100 is added to the Business and*  
33 *Professions Code, to read:*

34 *4100. (a) Within 30 days after changing his or her address of*  
35 *record with the board or after changing his or her name according*  
36 *to law, a pharmacist, intern pharmacist, technician, or designated*  
37 *representative shall notify the executive officer of the board of the*  
38 *change of address or change of name.*

39 *(b) This section shall become operative on January 1, 2006.*

1     *SEC. 19. Section 4105 of the Business and Professions Code*  
2     *is amended to read:*

3     4105. (a) All records or other documentation of the  
4     acquisition and disposition of dangerous drugs and dangerous  
5     devices by any entity licensed by the board shall be retained on the  
6     licensed premises in a readily retrievable form.

7     (b) The licensee may remove the original records or  
8     documentation from the licensed premises on a temporary basis  
9     for license-related purposes. However, a duplicate set of those  
10    records or other documentation shall be retained on the licensed  
11    premises.

12    (c) The records required by this section shall be retained on the  
13    licensed premises for a period of three years from the date of  
14    making.

15    (d) Any records that are maintained electronically shall be  
16    maintained so that the pharmacist-in-charge, the pharmacist on  
17    duty if the pharmacist-in-charge is not on duty, or, in the case of  
18    a veterinary food-animal drug retailer or wholesaler, the  
19    exemptee, shall, at all times during which the licensed premises are  
20    open for business, be able to produce a hard copy and electronic  
21    copy of all records of acquisition or disposition or other drug or  
22    dispensing-related records maintained electronically.

23    (e) (1) Notwithstanding subdivisions (a), (b), and (c), the  
24    board, may upon written request, grant to a licensee a waiver of the  
25    requirements that the records described in subdivisions (a), (b),  
26    and (c) be kept on the licensed premises.

27    (2) A waiver granted pursuant to this subdivision shall not  
28    affect the board's authority under this section or any other  
29    provision of this chapter.

30    (f) This section shall become ~~operative on July 1, 2001~~  
31    ~~inoperative and is repealed on January 1, 2006, unless a later~~  
32    ~~enacted statute, that becomes operative on or before January 1,~~  
33    ~~2006, amends or repeals that date.~~

34    *SEC. 20. Section 4105 is added to the Business and*  
35    *Professions Code, to read:*

36    4105. (a) All records or other documentation of the  
37    acquisition and disposition of dangerous drugs and dangerous  
38    devices by any entity licensed by the board shall be retained on the  
39    licensed premises in a readily retrievable form.

1 (b) The licensee may remove the original records or  
2 documentation from the licensed premises on a temporary basis for  
3 license-related purposes. However, a duplicate set of those records  
4 or other documentation shall be retained on the licensed premises.

5 (c) The records required by this section shall be retained on the  
6 licensed premises for a period of three years from the date of  
7 making.

8 (d) Any records that are maintained electronically shall be  
9 maintained so that the pharmacist-in-charge, the pharmacist on  
10 duty if the pharmacist-in-charge is not on duty, or, in the case of  
11 a veterinary food-animal drug retailer or wholesaler, the  
12 designated representative on duty, shall, at all times during which  
13 the licensed premises are open for business, be able to produce a  
14 hard copy and electronic copy of all records of acquisition or  
15 disposition or other drug or dispensing-related records  
16 maintained electronically.

17 (e) (1) Notwithstanding subdivisions (a), (b), and (c), the  
18 board, may upon written request, grant to a licensee a waiver of  
19 the requirements that the records described in subdivisions (a), (b),  
20 and (c) be kept on the licensed premises.

21 (2) A waiver granted pursuant to this subdivision shall not  
22 affect the board's authority under this section or any other  
23 provision of this chapter.

24 (f) This section shall become operative on January 1, 2006.

25 SEC. 21. Section 4110 of the Business and Professions Code  
26 is amended to read:

27 4110. (a) No person shall conduct a pharmacy in the State of  
28 California unless he or she has obtained a license from the board.  
29 A license shall be required for each pharmacy owned or operated  
30 by a specific person. A separate license shall be required for each  
31 of the premises of any person operating a pharmacy in more than  
32 one location. The license shall be renewed annually. The board  
33 may, by regulation, determine the circumstances under which a  
34 license may be transferred.

35 (b) The board may, at its discretion, issue a temporary permit,  
36 when the ownership of a pharmacy is transferred from one person  
37 to another, upon the conditions and for any periods of time as the  
38 board determines to be in the public interest. A temporary permit  
39 fee shall be established by the board at an amount not to exceed the  
40 annual fee for renewal of a permit to conduct a pharmacy. When

needed to protect public safety, a temporary permit may be issued for a period not to exceed 180 days, and may be issued subject to terms and conditions the board deems necessary. If the board determines a temporary permit was issued by mistake or denies the application for a permanent license or registration, the temporary license or registration shall terminate upon either personal service of the notice of termination upon the permitholder or service by certified mail, return receipt requested, at the permitholder's address of record with the board, whichever comes first. Neither for purposes of retaining a temporary permit nor for purposes of any disciplinary or license denial proceeding before the board shall the temporary permitholder be deemed to have a vested property right or interest in the permit.

*(c) This section shall become inoperative and is repealed on January 1, 2006, unless a later enacted statute, that becomes operative on or before January 1, 2006, amends or repeals that date.*

SEC. 22. Section 4110 is added to the Business and Professions Code, to read:

4110. (a) No person shall conduct a pharmacy in the State of California unless he or she has obtained a license from the board. A license shall be required for each pharmacy owned or operated by a specific person. A separate license shall be required for each of the premises of any person operating a pharmacy in more than one location. The license shall be renewed annually. The board may, by regulation, determine the circumstances under which a license may be transferred.

(b) The board may, at its discretion, issue a temporary license, when the ownership of a pharmacy is transferred from one person to another, upon the conditions and for any periods of time as the board determines to be in the public interest. A temporary license fee shall be established by the board at an amount not to exceed the annual fee for renewal of a license to conduct a pharmacy. When needed to protect public safety, a temporary license may be issued for a period not to exceed 180 days, and may be issued subject to terms and conditions the board deems necessary. If the board determines a temporary license was issued by mistake or denies the application for a permanent license or registration, the temporary license or registration shall terminate upon either personal service of the notice of termination upon the licensee or



1 *service by certified mail, return receipt requested, at the licensee's*  
2 *address of record with the board, whichever comes first. Neither*  
3 *for purposes of retaining a temporary license nor for purposes of*  
4 *any disciplinary or license denial proceeding before the board*  
5 *shall the temporary licensee be deemed to have a vested property*  
6 *right or interest in the license.*

7 *(c) An applicant for either the issuance or renewal of a*  
8 *pharmacy license that meets the definition of a closed door*  
9 *pharmacy in Section 4021.5 shall notify the board on a form*  
10 *approved by the board.*

11 *(d) This section shall become operative on January 1, 2006.*

12 SEC. 23. Section 4126.5 is added to the Business and  
13 Professions Code, to read:

14 4126.5. (a) A pharmacy may furnish dangerous drugs only to  
15 the following:

16 (1) ~~The wholesaler or manufacturer~~ *A wholesaler owned or*  
17 *under common control by the wholesaler from whom the*  
18 *dangerous drug was acquired.*

19 ~~(2) A licensed reverse distributor.~~

20 ~~(3) —~~

21 (2) *The pharmaceutical manufacturer from whom the*  
22 *dangerous drug was acquired.*

23 (3) *A licensed wholesaler acting as a reverse distributor.*

24 (4) *Another pharmacy or wholesaler to alleviate a temporary*  
25 *shortage of a dangerous drug that could result in the denial of*  
26 *health care. A pharmacy furnishing dangerous drugs pursuant to*  
27 *this paragraph may only furnish a quantity sufficient to alleviate*  
28 *the temporary shortage.*

29 ~~(4) A patient~~

30 (5) *A patient or to another pharmacy pursuant to a prescription*  
31 *or as otherwise authorized by law.*

32 ~~(5) —~~

33 (6) *A health care provider that is not a pharmacy but that is*  
34 *authorized to purchase dangerous drugs.*

35 (7) *To another pharmacy under common control.*

36 (b) *Notwithstanding any other provision of law, a violation of*  
37 *this section by either a closed pharmacy or a person engaged in a*  
38 *prohibited transaction with a closed pharmacy may subject the*  
39 *persons who committed the violation to a fine not to exceed the*



amount specified in Section 125.9 for each occurrence pursuant to a citation issued by the board.

(c) For notifications made on and after January 1, 2005, the Franchise Tax Board, upon notification by the board of a final judgment in an action brought under this section, shall subtract the amount of the fine from any tax refunds or lottery winnings due to the person who is a defendant in the action using the offset authority under Section 12419.5 of the Government Code, as delegated by the Controller, and the processes as established by the Franchise Tax Board for this purpose. That amount shall be forwarded to the board for deposit in the Pharmacy Board Contingent Fund.

~~SEC. 14. Section 4160 of the Business and Professions Code is amended to read:~~

~~4160. (a) A person may not act as a wholesaler of any dangerous drug or dangerous device unless he or she has obtained a license from the board.~~

~~(b) Upon approval by the board and the payment of the required fee, the board shall issue a license to the applicant.~~

~~(c) A separate license shall be required for each place of business owned or operated by a wholesaler. Each license shall be renewed annually and shall not be transferable.~~

~~(d) The board shall not issue or renew a wholesaler license until the wholesaler identifies a designated representative in charge and notifies the board in writing of the identity and license number of that designated representative. The designated representative in charge shall be responsible for the wholesaler's compliance with state and federal laws governing wholesalers. A wholesaler shall identify, and notify the board of, a new designated representative in charge within 30 days of the date that the prior designated representative in charge ceases to be designated representative in charge. A pharmacist may be identified as the designated representative in charge.~~

~~(e) A drug manufacturer licensed pursuant to Section 111615 of the Health and Safety Code that only ships dangerous drugs of its own manufacture is exempt from this section.~~

~~(f) The board may issue a temporary license, upon conditions and for periods of time as the board determines to be in the public interest. A temporary license fee shall be fixed by the board at an~~

1 amount not to exceed the annual fee for renewal of a license to  
2 conduct business as a wholesaler.

3 ~~SEC. 15. Section 4161 of the Business and Professions Code~~  
4 ~~is repealed.~~

5 ~~SEC. 16. Section 4161 is added to the Business and~~  
6 ~~Professions Code, to read:~~

7 ~~4161. (a) A person located outside this state that ships, mails,~~  
8 ~~or delivers dangerous drugs or dangerous devices into this state~~  
9 ~~shall be considered a nonresident wholesaler.~~

10 ~~(b) A nonresident wholesaler shall be licensed by the board~~  
11 ~~prior to shipping, mailing, or delivering dangerous drugs or~~  
12 ~~dangerous devices to a site located in this state.~~

13 ~~(c) A separate license shall be required for each place of~~  
14 ~~business owned or operated by a nonresident wholesaler from or~~  
15 ~~through which dangerous drugs or dangerous devices are shipped,~~  
16 ~~mailed, or delivered to a site located in this state. A license shall~~  
17 ~~be renewed annually and shall not be transferable.~~

18 ~~(d) The following information shall be reported, in writing, to~~  
19 ~~the board at the time of initial application for licensure by a~~  
20 ~~nonresident wholesaler, on renewal of a nonresident wholesaler~~  
21 ~~license, or within 30 days of a change in the following information:~~

22 ~~(1) Its agent for service of process in this state.~~

23 ~~(2) Its principal corporate officers, as specified by the board, if~~  
24 ~~any.~~

25 ~~(3) Its general partners, as specified by the board, if any.~~

26 ~~(4) Its owners, if the applicant is not a corporation or~~  
27 ~~partnership.~~

28 ~~(e) A report containing the information in subdivision (d) shall~~  
29 ~~be made within 30 days of any change of ownership, office,~~  
30 ~~corporate officer, or partner.~~

31 ~~(f) A nonresident wholesaler shall comply with all directions~~  
32 ~~and requests for information from the regulatory or licensing~~  
33 ~~agency of the state in which it is licensed, as well as with all~~  
34 ~~requests for information made by the board.~~

35 ~~(g) A nonresident wholesaler shall maintain records of~~  
36 ~~dangerous drugs and dangerous devices sold, traded, or transferred~~  
37 ~~to persons in this state, so that the records are in a readily~~  
38 ~~retrievable form.~~

39 ~~(h) A nonresident wholesaler shall at all times maintain a valid,~~  
40 ~~unexpired license, permit, or registration to conduct the business~~

1 of the wholesaler in compliance with the laws of the state in which  
2 it is a resident. An application for a nonresident wholesaler license  
3 in this state shall include a license verification from the licensing  
4 authority in the applicant's state of residence.

5 (i) ~~The board may not issue or renew a nonresident wholesaler~~  
6 ~~license until the nonresident wholesaler identifies a designated~~  
7 ~~representative in charge and notifies the board in writing of the~~  
8 ~~identity and license number of the designated~~  
9 ~~representative in charge.~~

10 (j) ~~The designated representative in charge shall be~~  
11 ~~responsible for the nonresident wholesaler's compliance with state~~  
12 ~~and federal laws governing wholesalers. A nonresident wholesaler~~  
13 ~~shall identify and notify the board of a new designated~~  
14 ~~representative in charge within 30 days of the date that the prior~~  
15 ~~designated representative in charge ceases to be the designated~~  
16 ~~representative in charge.~~

17 (k) ~~The board may issue a temporary license, upon conditions~~  
18 ~~and for periods of time as the board determines to be in the public~~  
19 ~~interest. A temporary license fee shall be fixed by the board at an~~  
20 ~~amount not to exceed the annual fee for renewal of a license to~~  
21 ~~conduct business as a nonresident wholesaler.~~

22 (l) ~~The registration fee shall be the fee specified in subdivision~~  
23 ~~(f) of Section 4400.~~

24 SEC. 17. ~~Section 4162 of the Business and Professions Code~~  
25 ~~is repealed.~~

26 SEC. 18. ~~Section 4162 is added to the Business and~~  
27 ~~Professions Code, to read:~~

28 4162. (a) ~~An applicant for the issuance or renewal of a~~  
29 ~~wholesaler license shall submit a surety bond of one hundred~~  
30 ~~thousand dollars (\$100,000) for each site to be licensed, or other~~  
31 ~~equivalent means of security acceptable to the board, such as an~~  
32 ~~irrevocable letter of credit, or a deposit in a trust account or~~  
33 ~~financial institution, payable to the Pharmacy Board Contingent~~  
34 ~~Fund. The purpose of the surety bond is to secure payment of any~~  
35 ~~administrative fine imposed by the board and any cost recovery~~  
36 ~~ordered pursuant to Section 125.3.~~

37 (b) ~~The board may make a claim against the bond if the licensee~~  
38 ~~fails to pay a fine within 30 days after the order imposing the fine,~~  
39 ~~or costs become final. The board may make a claim against the~~  
40 ~~bond or security until one year after the license ceases to be valid.~~

1 ~~SEC. 19. Section 4163 of the Business and Professions Code~~  
2 ~~is amended to read:~~

3 ~~4163. (a) No manufacturer or wholesaler shall furnish any~~  
4 ~~dangerous drugs or dangerous devices to any unauthorized~~  
5 ~~persons.~~

6 ~~(b) No person shall acquire dangerous drugs or dangerous~~  
7 ~~devices from a person not authorized by law to possess or furnish~~  
8 ~~those dangerous drugs or dangerous devices.~~

9 ~~(c) This section shall remain in effect only until January 1,~~  
10 ~~2007, and as of that date is repealed, unless a later enacted statute,~~  
11 ~~that is enacted before January 1, 2007, deletes or extends that date.~~

12 ~~SEC. 20.—~~

13 ~~(d) For purposes of this section, “common control” means the~~  
14 ~~power to direct or cause the direction of the management and~~  
15 ~~policies of another person whether by ownership, voting rights, by~~  
16 ~~contract, or by other means.~~

17 ~~SEC. 24. Section 4160 of the Business and Professions Code~~  
18 ~~is amended to read:~~

19 ~~4160. (a) No person shall—~~ A person may not act as a  
20 wholesaler of any dangerous drug or dangerous device unless he  
21 or she has obtained a license from the board. ~~Upon~~

22 ~~(b) Upon approval by the board and the payment of the required~~  
23 ~~fee, the board shall issue a license to the applicant.~~

24 ~~(b) No selling or distribution outlet, located in this state, of any~~  
25 ~~out-of-state manufacturer, that has not obtained a license from the~~  
26 ~~board, that sells or distributes only the dangerous drugs or the~~  
27 ~~dangerous devices of that manufacturer, shall sell or distribute any~~  
28 ~~dangerous drug or dangerous device in this state without obtaining~~  
29 ~~a wholesaler’s license from the board.~~

30 ~~(c) A separate license shall be required for each place of~~  
31 ~~business owned or operated by a wholesaler. Each license shall be~~  
32 ~~renewed annually and shall not be transferable.~~

33 ~~(d) The board shall not issue or renew a wholesaler license until~~  
34 ~~the wholesaler designates an exemptee-in-charge and notifies the~~  
35 ~~board in writing of the identity and license number of that~~  
36 ~~exemptee. The exemptee-in-charge shall be responsible for the~~  
37 ~~wholesaler’s compliance with state and federal laws governing~~  
38 ~~wholesalers. Each A wholesaler shall designate, and notify the~~  
39 ~~board of, a new exemptee-in-charge within 30 days of the date that~~

1 the prior exemptee-in-charge ceases to be exemptee-in-charge. A  
2 pharmacist may be designated as the exemptee-in-charge.

3 (e) For purposes of this section, “exemptee-in-charge” means  
4 a person granted a certificate of exemption pursuant to Section  
5 4053, or a registered pharmacist, who is the supervisor or manager  
6 of the facility.

7 (f) *A drug manufacturer licensed by the Food and Drug*  
8 *Administration or pursuant to Section 111615 of the Health and*  
9 *Safety Code that only ships dangerous drugs or dangerous devices*  
10 *of its own manufacture is exempt from this section.*

11 (g) *This section shall become inoperative and is repealed on*  
12 *January 1, 2006, unless a later enacted statute, that becomes*  
13 *operative on or before January 1, 2006, amends or repeals that*  
14 *date.*

15 SEC. 25. *Section 4160 is added to the Business and*  
16 *Professions Code, to read:*

17 4160. (a) *A person may not act as a wholesaler of any*  
18 *dangerous drug or dangerous device unless he or she has obtained*  
19 *a license from the board.*

20 (b) *Upon approval by the board and the payment of the required*  
21 *fee, the board shall issue a license to the applicant.*

22 (c) *A separate license shall be required for each place of*  
23 *business owned or operated by a wholesaler. Each license shall be*  
24 *renewed annually and shall not be transferable.*

25 (d) *The board shall not issue or renew a wholesaler license until*  
26 *the wholesaler identifies a designated representative-in-charge*  
27 *and notifies the board in writing of the identity and license number*  
28 *of that designated representative. The designated*  
29 *representative-in-charge shall be responsible for the wholesaler’s*  
30 *compliance with state and federal laws governing wholesalers. A*  
31 *wholesaler shall identify and notify the board of a new designated*  
32 *representative-in-charge within 30 days of the date that the prior*  
33 *designated representative-in-charge ceases to be designated*  
34 *representative-in-charge. A pharmacist may be identified as the*  
35 *designated representative-in-charge.*

36 (e) *A drug manufacturer licensed by the Food and Drug*  
37 *Administration or licensed pursuant to Section 111615 of the*  
38 *Health and Safety Code that only distributes dangerous drugs and*  
39 *dangerous devices of its own manufacture is exempt from this*  
40 *section and Section 4161.*

1 (f) The board may issue a temporary license, upon conditions  
2 and for periods of time as the board determines to be in the public  
3 interest. A temporary license fee shall be fixed by the board at an  
4 amount not to exceed the annual fee for renewal of a license to  
5 conduct business as a wholesaler.

6 (g) This section shall become operative on January 1, 2006.

7 SEC. 26. Section 4161 of the Business and Professions Code  
8 is repealed.

9 ~~4161. (a) No person shall act as an out-of-state manufacturer  
10 or wholesaler of dangerous drugs or dangerous devices doing  
11 business in this state who has not obtained an out-of-state  
12 dangerous drug or dangerous device distributor's license from the  
13 board. Persons not located in this state selling or distributing  
14 dangerous drugs or dangerous devices in this state only through a  
15 licensed wholesaler are not required to be licensed as an  
16 out-of-state manufacturer or wholesaler or have an out-of-state  
17 dangerous drug or dangerous device distributor's license.~~

18 ~~(b) Applications for an out-of-state dangerous drug or  
19 dangerous device distributor's license shall be made on a form  
20 furnished by the board. The board may require any information as  
21 the board deems is reasonably necessary to carry out the purposes  
22 of the section. The license shall be renewed annually.~~

23 ~~(c) The Legislature, by enacting this section, does not intend a  
24 license issued to any out-of-state manufacturer or wholesaler  
25 pursuant to this section to change or affect the tax liability imposed  
26 by Chapter 3 (commencing with Section 23501) of Part 11 of  
27 Division 2 of the Revenue and Taxation Code on any out-of-state  
28 manufacturer or wholesaler.~~

29 ~~(d) The Legislature, by enacting this section, does not intend a  
30 license issued to any out-of-state manufacturer or wholesaler  
31 pursuant to this section to serve as any evidence that the  
32 out-of-state manufacturer or wholesaler is doing business within  
33 this state.~~

34 SEC. 27. Section 4161 is added to the Business and  
35 Professions Code, to read:

36 4161. (a) A person located outside this state that ships, mails,  
37 or delivers dangerous drugs or dangerous devices into this state at  
38 wholesale shall be considered an out-of-state distributor.

1     ***(b) An out-of-state distributor shall be licensed by the board***  
2 ***prior to shipping, mailing, or delivering dangerous drugs or***  
3 ***dangerous devices to a site located in this state.***

4     ***(c) A separate license shall be required for each place of***  
5 ***business owned or operated by an out-of-state distributor from or***  
6 ***through which dangerous drugs or dangerous devices are shipped,***  
7 ***mailed, or delivered to a site located in this state. A license shall***  
8 ***be renewed annually and shall not be transferable.***

9     ***(d) The following information shall be reported, in writing, to***  
10 ***the board at the time of initial application for licensure by a***  
11 ***nonresident wholesaler, on renewal of an out-of-state distributor***  
12 ***license, or within 30 days of a change in the following information:***

13         ***(1) Its agent for service of process in this state.***

14         ***(2) Its principal corporate officers, as specified by the board,***  
15 ***if any.***

16         ***(3) Its general partners, as specified by the board, if any.***

17         ***(4) Its owners, if the applicant is not a corporation or***  
18 ***partnership.***

19     ***(e) A report containing the information in subdivision (d) shall***  
20 ***be made within 30 days of any change of ownership, office,***  
21 ***corporate officer, or partner.***

22     ***(f) An out-of-state distributor shall comply with all directions***  
23 ***and requests for information from the regulatory or licensing***  
24 ***agency of the state in which it is licensed, as well as with all***  
25 ***requests for information made by the board.***

26     ***(g) An out-of-state distributor wholesaler shall maintain***  
27 ***records of dangerous drugs and dangerous devices sold, traded, or***  
28 ***transferred to persons in this state, so that the records are in a***  
29 ***readily retrievable form.***

30     ***(h) An out-of-state distributor shall at all times maintain a***  
31 ***valid, unexpired license, permit, or registration to conduct the***  
32 ***business of the wholesaler in compliance with the laws of the state***  
33 ***in which it is a resident. An application for an out-of-state***  
34 ***distributor license in this state shall include a license verification***  
35 ***from the licensing authority in the applicant's state of residence.***

36     ***(i) The board may not issue or renew an out-of-state distributor***  
37 ***license until the out-of-state distributor identifies an***  
38 ***exemptee-in-charge and notifies the board in writing of the identity***  
39 ***and license number of the exemptee-in-charge.***



1 (j) *The exemptee-in-charge shall be responsible for the*  
2 *nonresident wholesaler's compliance with state and federal laws*  
3 *governing wholesalers. A nonresident wholesaler shall identify*  
4 *and notify the board of a new exemptee-in-charge within 30 days*  
5 *of the date that the prior exemptee-in-charge ceases to be the*  
6 *exemptee-in-charge.*

7 (k) *The board may issue a temporary license, upon conditions*  
8 *and for periods of time as the board determines to be in the public*  
9 *interest. A temporary license fee shall be fixed by the board at an*  
10 *amount not to exceed the annual fee for renewal of a license to*  
11 *conduct business as an out-of-state distributor.*

12 (l) *The license fee shall be the fee specified in subdivision (f)*  
13 *of Section 4400.*

14 (m) *This section shall become inoperative and be repealed on*  
15 *January 1, 2006, unless a later enacted statute, that becomes*  
16 *operative on or before December 31, 2006, amends or repeals that*  
17 *date.*

18 SEC. 28. *Section 4161 is added to the Business and*  
19 *Professions Code, to read:*

20 4161. (a) *A person located outside this state that ships, mails,*  
21 *or delivers dangerous drugs or dangerous devices into this state at*  
22 *wholesale shall be considered a nonresident wholesaler.*

23 (b) *A nonresident wholesaler shall be licensed by the board*  
24 *prior to shipping, mailing, or delivering dangerous drugs or*  
25 *dangerous devices to a site located in this state.*

26 (c) *A separate license shall be required for each place of*  
27 *business owned or operated by a nonresident wholesaler from or*  
28 *through which dangerous drugs or dangerous devices are shipped,*  
29 *mailed, or delivered to a site located in this state. A license shall*  
30 *be renewed annually and shall not be transferable.*

31 (d) *The following information shall be reported, in writing, to*  
32 *the board at the time of initial application for licensure by a*  
33 *nonresident wholesaler; on renewal of a nonresident wholesaler*  
34 *license, or within 30 days of a change in the following information:*

35 (1) *Its agent for service of process in this state.*

36 (2) *Its principal corporate officers, as specified by the board,*  
37 *if any.*

38 (3) *Its general partners, as specified by the board, if any.*

39 (4) *Its owners, if the applicant is not a corporation or*  
40 *partnership.*

1     (e) A report containing the information in subdivision (d) shall  
2     be made within 30 days of any change of ownership, office,  
3     corporate officer, or partner.

4     (f) A nonresident wholesaler shall comply with all directions  
5     and requests for information from the regulatory or licensing  
6     agency of the state in which it is licensed, as well as with all  
7     requests for information made by the board.

8     (g) A nonresident wholesaler shall maintain records of  
9     dangerous drugs and dangerous devices sold, traded, or  
10    transferred to persons in this state, so that the records are in a  
11    readily retrievable form.

12    (h) A nonresident wholesaler shall at all times maintain a valid,  
13    unexpired license, permit, or registration to conduct the business  
14    of the wholesaler in compliance with the laws of the state in which  
15    it is a resident. An application for a nonresident wholesaler license  
16    in this state shall include a license verification from the licensing  
17    authority in the applicant's state of residence.

18    (i) The board may not issue or renew a nonresident wholesaler  
19    license until the nonresident wholesaler identifies a designated  
20    representative-in-charge and notifies the board in writing of the  
21    identity and license number of the designated  
22    representative-in-charge.

23    (j) The designated representative-in-charge shall be  
24    responsible for the nonresident wholesaler's compliance with state  
25    and federal laws governing wholesalers. A nonresident wholesaler  
26    shall identify and notify the board of a new designated  
27    representative-in-charge within 30 days of the date that the prior  
28    designated representative-in-charge ceases to be the designated  
29    representative-in-charge.

30    (k) The board may issue a temporary license, upon conditions  
31    and for periods of time as the board determines to be in the public  
32    interest. A temporary license fee shall be fixed by the board at an  
33    amount not to exceed the annual fee for renewal of a license to  
34    conduct business as a nonresident wholesaler.

35    (l) The registration fee shall be the fee specified in subdivision  
36    (f) of Section 4400.

37    (m) This section shall become operative on January 1, 2006.  
38    SEC. 29. Section 4162 of the Business and Professions Code  
39    is repealed.

~~4162. (a) No person acting as principal or agent for any out-of-state manufacturer, wholesaler, or pharmacy who has not obtained a license from the board, and who sells or distributes dangerous drugs or dangerous devices in this state that are not obtained through a wholesaler who has obtained a license, pursuant to this chapter, or that are not obtained through a selling or distribution outlet of an out-of-state manufacturer that is licensed as a wholesaler, pursuant to this chapter, shall conduct the business of selling or distributing dangerous drugs or dangerous devices within this state without registering with the board.~~

~~(b) Registration of persons under this section shall be made on a form furnished by the board. The board may require any information as the board deems reasonably necessary to carry out the purposes of this section, including, but not limited to, the name and address of the registrant and the name and address of the manufacturer whose dangerous drugs or dangerous devices he or she is selling or distributing.~~

~~(c) The board may deny, revoke, or suspend the person's registration for any violation of this chapter or for any violation of Part 5 (commencing with Section 109875) of Division 104 of the Health and Safety Code. The board may deny, revoke, or suspend the person's registration if the manufacturer, whose dangerous drugs or dangerous devices he or she is selling or distributing, violates any provision of this chapter or any provision of Part 5 (commencing with Section 109875) of Division 104 of the Health and Safety Code. The registration shall be renewed annually.~~

*SEC. 30. Section 4162 is added to the Business and Professions Code, to read:*

*4162. (a) An applicant for the issuance or renewal of a wholesaler license shall submit a surety bond of one hundred thousand dollars (\$100,000) or other equivalent means of security acceptable to the board payable to the Pharmacy Board Contingent Fund. The purpose of the surety bond is to secure payment of any administrative fine imposed by the board and any cost recovery ordered pursuant to Section 125.3.*

*(b) The board may make a claim against the bond if the licensee fails to pay a fine within 30 days after the order imposing the fine, or costs become final.*

*(c) A single surety bond or other equivalent means of security acceptable to the board shall satisfy the requirement of subdivision*

1 (a) for each licensed site under common control as defined in  
2 Section 4126.5.

3 (d) This section shall become operative on January 1, 2006.

4 SEC. 31. Section 4163 of the Business and Professions Code  
5 is amended to read:

6 4163. (a) No manufacturer or wholesaler shall furnish any  
7 dangerous drugs or dangerous devices to any unauthorized  
8 persons.

9 (b) No person shall acquire dangerous drugs or dangerous  
10 devices from a person not authorized by law to possess or furnish  
11 those dangerous drugs or dangerous devices.

12 (c) This section shall remain in effect only until January 1,  
13 2007, and as of that date is repealed, unless a later enacted statute,  
14 that is enacted before January 1, 2007, deletes or extends that date.

15 SEC. 32. Section 4163 is added to the Business and  
16 Professions Code, to read:

17 4163. (a) A manufacturer or wholesaler may not furnish a  
18 dangerous drug or dangerous device to an unauthorized person.

19 (b) Dangerous drugs or dangerous devices shall be acquired  
20 from a person authorized by law to possess or furnish dangerous  
21 drugs or dangerous devices.

22 (c) A wholesaler or pharmacy may not sell, trade, or transfer a  
23 dangerous drug ~~or dangerous device at wholesale~~ without  
24 providing a pedigree.

25 (d) A wholesaler or pharmacy may not acquire a dangerous  
26 drug ~~or dangerous device without providing~~ without receiving a  
27 pedigree.

28 (e) This section shall become operative on January 1, 2007.

29 ~~SEC. 21.—~~

30 SEC. 33. Section 4163.5 is added to the Business and  
31 Professions Code, to read:

32 4163.5. The board may extend the date for compliance with  
33 the requirement for a pedigree set forth in Section 4163 until  
34 January 1, 2008, if it determines that manufacturers, wholesalers,  
35 or pharmacies require additional time to implement electronic  
36 technologies to track the distribution of dangerous drugs within  
37 the state. A determination by the board to extend the deadline for  
38 providing pedigrees shall not be subject to the requirements of  
39 Chapter 3.5 (commencing with Section 11340) of Part 1 of  
40 Division 3 of Title 2 of the Government Code.

1 ~~SEC. 22.—Section 4164 of the Business and Professions Code~~  
2 ~~is amended to read:~~

3 ~~4164. (a) A wholesaler licensed by the board that distributes~~  
4 ~~controlled substances, dangerous drugs, or dangerous devices~~  
5 ~~within or into this state shall report to the board all sales of~~  
6 ~~dangerous drugs and controlled substances that are subject to~~  
7 ~~abuse, as determined by the board.~~

8 ~~(b) A wholesaler shall report excessive purchases of dangerous~~  
9 ~~drugs by closed door pharmacies to the board.~~

10 ~~(c) A wholesaler shall develop and maintain a system for~~  
11 ~~tracking individual sales of dangerous drugs to closed door~~  
12 ~~pharmacies. The system shall be capable of identifying purchases~~  
13 ~~by an established customer that vary significantly from prior~~  
14 ~~ordering patterns for that customer.~~

15 ~~(d) Upon written, oral, or electronic request by the board, a~~  
16 ~~wholesaler shall furnish that data, or any specific portion thereof,~~  
17 ~~to the board in written, hardcopy, or electronic form.~~

18 ~~SEC. 23.—~~

19 *SEC. 34. Section 4164 of the Business and Professions Code*  
20 *is amended to read:*

21 *4164. (a) All wholesalers licensed by the board and all*  
22 *manufacturers who distribute controlled substances, dangerous*  
23 *drugs, or dangerous devices within or into this state shall report to*  
24 *the board all sales of dangerous drugs and controlled substances*  
25 *that are subject to abuse, as determined by the board.*

26 *(b) This section shall become inoperative and is repealed on*  
27 *January 1, 2006, unless a later enacted statute, that becomes*  
28 *operative on or before January 1, 2006, amends or repeals that*  
29 *date.*

30 *SEC. 35. Section 4164 is added to the Business and*  
31 *Professions Code, to read:*

32 *4164. (a) A wholesaler licensed by the board that distributes*  
33 *controlled substances, dangerous drugs, or dangerous devices*  
34 *within or into this state shall report to the board all sales of*  
35 *dangerous drugs and controlled substances that are subject to*  
36 *abuse, as determined by the board.*

37 *(b) Each wholesaler shall report excessive purchases of*  
38 *dangerous drugs at preferential or contract prices by closed door*  
39 *pharmacies to the board, as designated by the board pursuant to*  
40 *Section 4021.5.*

1     (c) *Each wholesaler shall develop and maintain a system for*  
2 *tracking individual sales of dangerous drugs at preferential or*  
3 *contract prices to closed door pharmacies. The system shall be*  
4 *capable of identifying purchases by an established customer which*  
5 *vary significantly from prior ordering patterns for the same*  
6 *customer.*

7     (d) *Upon written, oral, or electronic request by the board, a*  
8 *wholesaler shall furnish that data, or any specific portion thereof,*  
9 *to the board in written, hardcopy, or electronic form.*

10    (e) *As used in this section, ‘preferential or contract prices’*  
11 *means and refers to purchases by contract of dangerous drugs at*  
12 *prices below the market wholesale price for those drugs.*

13    (f) *This section shall become operative on January 1, 2006.*

14    SEC. 36. Section 4165 of the Business and Professions Code  
15 is amended to read:

16    4165. A wholesaler licensed by the board who sells or  
17 transfers any dangerous drug or dangerous device into this state or  
18 who receives, by sale or otherwise, any dangerous drug or  
19 dangerous device from any person in this state shall, on request,  
20 furnish an authorized officer of the law with all records or other  
21 documentation of that sale or transfer.

22    ~~SEC. 24.—~~

23    SEC. 37. Section 4166 of the Business and Professions Code  
24 is amended to read:

25    4166. (a) Any wholesaler that uses the services of any carrier,  
26 including, but not limited to, the United States Postal Service or  
27 any common carrier, shall be liable for the security and integrity  
28 of any dangerous drugs or dangerous devices through that carrier  
29 until the drugs or devices are delivered to the transferee at its  
30 board-licensed premises.

31    (b) Nothing in this section is intended to affect the liability of  
32 a wholesaler or other distributor for dangerous drugs or dangerous  
33 devices after their delivery to the transferee.

34    ~~SEC. 25.—~~

35    SEC. 38. Section 4168 is added to the Business and  
36 Professions Code, to read:

37    4168. A county or municipality may not issue a business  
38 license for any establishment that requires a wholesaler license  
39 unless the establishment possesses a current wholesaler license



1 issued by the board. For purposes of this section, an  
2 “establishment” is the licensee’s physical location in California.

3 ~~SEC. 26.—~~

4 SEC. 39. Section 4169 is added to the Business and  
5 Professions Code, to read:

6 4169. (a) A person or entity may not do any of the following:

7 (1) Purchase, trade, sell, or transfer dangerous drugs or  
8 dangerous devices at wholesale with a person or entity that is not  
9 licensed with the board as a wholesaler or pharmacy, in violation  
10 of Section 4163.

11 (2) Purchase, trade, sell, or transfer dangerous drugs that the  
12 person knew or reasonably should have known were adulterated,  
13 as set forth in Article 2 (commencing with Section 111250) of  
14 Chapter 6 of Part 5 of Division 104 of the Health and Safety Code.

15 (3) Purchase, trade, sell, or transfer dangerous drugs that the  
16 person knew or reasonably should have known were misbranded,  
17 ~~as set forth in Article 3 (commencing with Section 111330) of~~  
18 ~~Chapter 6 of Part 5 of Division 104~~ *as defined in Section 111335*  
19 of the Health and Safety Code.

20 (4) Purchase, trade, sell, or transfer dangerous drugs or  
21 dangerous devices after the beyond use date on the label.

22 (5) Fail to maintain records of the acquisition or disposition of  
23 dangerous drugs or dangerous devices for at least three years.

24 (b) Notwithstanding any other provision of law, a violation of  
25 this section may subject the person or entity that has committed the  
26 violation to a fine not to exceed the amount specified in Section  
27 125.9 for each occurrence, pursuant to a citation issued by the  
28 board.

29 (c) The Franchise Tax Board, upon notification by the board of  
30 a final judgment in an action brought under this section, shall  
31 subtract the amount of the fine from any tax funds or lottery  
32 winnings due to the person who is a defendant in the action using  
33 the offset authority under Section 12419.5 of the Government  
34 Code, as delegated by the Controller, and the processes established  
35 by the Franchise Tax Board for this purpose. That amount shall be  
36 forwarded to the board for deposit in the Pharmacy Board  
37 Contingent Fund.

38 (d) *This section shall not apply to a pharmaceutical*  
39 *manufacturer licensed by the Food and Drug Administration or by*  
40 *the State Department of Health Services.*



(e) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

~~SEC. 27.—~~

SEC. 40. Section 4169 is added to the Business and Professions Code, to read:

4169. (a) A person or entity may not do any of the following:

(1) Purchase, trade, sell, or transfer dangerous drugs or dangerous devices at wholesale with a person or entity that is not licensed with the board as a wholesaler or pharmacy.

(2) Purchase, trade, sell, or transfer dangerous drugs that the person knew or reasonably should have known were adulterated, as set forth in Article 2 (commencing with Section 111250) of Chapter 6 of Part 5 of Division 104 of the Health and Safety Code.

(3) Purchase, trade, sell, or transfer dangerous drugs that the person knew or reasonably should have known were misbranded, ~~as set forth in Article 3 (commencing with Section 111330) of Chapter 6 of Part 5 of Division 104~~ as defined in Section 111335 of the Health and Safety Code.

(4) Purchase, trade, sell, or transfer dangerous drugs or dangerous devices after the beyond use date on the label.

(5) Fail to maintain records of the acquisition or disposition of dangerous drugs or dangerous devices for at least three years.

(b) Notwithstanding any other provision of law, a violation of this section or of subdivision (c) or (d) of Section 4163 may subject the person or entity that has committed the violation to a fine not to exceed the amount specified in Section 125.9 for each occurrence, pursuant to a citation issued by the board.

(c) The Franchise Tax Board, upon notification by the board of a final judgment in an action brought under this section, shall subtract the amount of the fine from any tax funds or lottery winnings due to the person who is a defendant in the action using the offset authority under Section 12419.5 of the Government Code, as delegated by the Controller, and the processes established by the Franchise Tax Board for this purpose. That amount shall be forwarded to the board for deposit in the Pharmacy Board Contingent Fund.

(d) *This section shall not apply to a pharmaceutical manufacturer licensed by the Food and Drug Administration or by the State Department of Health Services.*

1 (e) This section shall become operative on January 1, 2007.

2 ~~SEC. 28.—Section 4196 of the Business and Professions Code~~  
3 ~~is amended to read:~~

4 ~~4196.—(a) No person shall conduct a veterinary food animal~~  
5 ~~drug retailer in the State of California unless he or she has obtained~~  
6 ~~a license from the board. A license shall be required for each~~  
7 ~~veterinary food animal drug retailer owned or operated by a~~  
8 ~~specific person. A separate license shall be required for each of the~~  
9 ~~premises of any person operating a veterinary food animal drug~~  
10 ~~retailer in more than one location. The license shall be renewed~~  
11 ~~annually and shall not be transferable.~~

12 ~~(b) The board may issue a temporary license, upon conditions~~  
13 ~~and for periods of time as the board determines to be in the public~~  
14 ~~interest. A temporary license fee shall be fixed by the board at an~~  
15 ~~amount not to exceed the annual fee for renewal of a license to~~  
16 ~~conduct a veterinary food animal drug retailer.~~

17 ~~(c) No person other than a pharmacist, an intern pharmacist, a~~  
18 ~~designated representative, an authorized officer of the law, or a~~  
19 ~~person authorized to prescribe, shall be permitted in that area,~~  
20 ~~place, or premises described in the permit issued by the board~~  
21 ~~pursuant to Section 4041, wherein veterinary food animal drugs~~  
22 ~~are stored, possessed, or repacked. A pharmacist or designated~~  
23 ~~representative shall be responsible for any individual who enters~~  
24 ~~the veterinary food animal drug retailer for the purpose of~~  
25 ~~performing clerical, inventory control, housekeeping, delivery,~~  
26 ~~maintenance, or similar functions relating to the veterinary~~  
27 ~~food animal drug retailer.~~

28 ~~(d) The board shall not issue or renew a veterinary food animal~~  
29 ~~retailer license until the veterinary food animal drug retailer~~  
30 ~~identifies a designated representative in charge and notifies the~~  
31 ~~board in writing of the identity and license number of that~~  
32 ~~designated representative. The designated~~  
33 ~~representative in charge shall be responsible for the veterinary~~  
34 ~~food animal drug retailer's compliance with state and federal laws~~  
35 ~~governing veterinary food animal drug retailers. Each veterinary~~  
36 ~~food animal drug retailer shall identify, and notify the board of, a~~  
37 ~~new designated representative in charge within 30 days of the date~~  
38 ~~that the prior designated representative in charge ceases to be~~  
39 ~~designated representative in charge. A pharmacist may be~~  
40 ~~identified as the designated representative in charge.~~

1 ~~(c) For purposes of this section, designated~~  
2 ~~representative in charge means a person granted a designated~~  
3 ~~representative license pursuant to Section 4053, or a registered~~  
4 ~~pharmacist, who is the supervisor or manager of the facility.~~

5 SEC. 29. ~~Section 4301 of the Business and Professions Code~~  
6 ~~is amended to read:~~

7 ~~4301. The board shall take action against any holder of a~~  
8 ~~license who is guilty of unprofessional conduct or whose license~~  
9 ~~has been procured by fraud or misrepresentation or issued by~~  
10 ~~mistake. Unprofessional conduct shall include, but is not limited~~  
11 ~~to, any of the following:~~

12 ~~(a) Gross immorality.~~

13 ~~(b) Incompetence.~~

14 ~~(c) Gross negligence.~~

15 ~~(d) The clearly excessive furnishing of controlled substances in~~  
16 ~~violation of subdivision (a) of Section 11153 of the Health and~~  
17 ~~Safety Code.~~

18 ~~(e) The clearly excessive furnishing of controlled substances in~~  
19 ~~violation of subdivision (a) of Section 11153.5 of the Health and~~  
20 ~~Safety Code. Factors to be considered in determining whether the~~  
21 ~~furnishing of controlled substances is clearly excessive shall~~  
22 ~~include, but not be limited to, the amount of controlled substances~~  
23 ~~furnished, the previous ordering pattern of the customer (including~~  
24 ~~size and frequency of orders), the type and size of the customer,~~  
25 ~~and where and to whom the customer distributes its product.~~

26 ~~(f) The commission of any act involving moral turpitude,~~  
27 ~~dishonesty, fraud, deceit, or corruption, whether the act is~~  
28 ~~committed in the course of relations as a licensee or otherwise, and~~  
29 ~~whether the act is a felony or misdemeanor or not.~~

30 ~~(g) Knowingly making or signing any certificate or other~~  
31 ~~document that falsely represents the existence or nonexistence of~~  
32 ~~a state of facts.~~

33 ~~(h) The administering to oneself, of any controlled substance,~~  
34 ~~or the use of any dangerous drug or of alcoholic beverages to the~~  
35 ~~extent or in a manner as to be dangerous or injurious to oneself, to~~  
36 ~~a person holding a license under this chapter, or to any other person~~  
37 ~~or to the public, or to the extent that the use impairs the ability of~~  
38 ~~the person to conduct with safety to the public the practice~~  
39 ~~authorized by the license.~~

~~(i) Except as otherwise authorized by law, knowingly selling, furnishing, giving away, or administering or offering to sell, furnish, give away, or administer any controlled substance to an addict.~~

~~(j) The violation of any of the statutes of this state or of the United States regulating controlled substances and dangerous drugs.~~

~~(k) The conviction of more than one misdemeanor or any felony involving the use, consumption, or self-administration of any dangerous drug or alcoholic beverage, or any combination of those substances.~~

~~(l) The conviction of a crime substantially related to the qualifications, functions, and duties of a licensee under this chapter. The record of conviction of a violation of Chapter 13 (commencing with Section 801) of Title 21 of the United States Code regulating controlled substances or of a violation of the statutes of this state regulating controlled substances or dangerous drugs shall be conclusive evidence of unprofessional conduct. In all other cases, the record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The board may inquire into the circumstances surrounding the commission of the crime, in order to fix the degree of discipline or, in the case of a conviction not involving controlled substances or dangerous drugs, to determine if the conviction is of an offense substantially related to the qualifications, functions, and duties of a licensee under this chapter. A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this provision. The board may take action when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.~~

~~(m) The cash compromise of a charge of violation of Chapter 13 (commencing with Section 801) of Title 21 of the United States Code regulating controlled substances or of Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code relating to the Medi-Cal program.~~

~~The record of the compromise is conclusive evidence of unprofessional conduct.~~

~~(n) The revocation, suspension, or other discipline by another state of a license to practice pharmacy, operate a pharmacy, or do any other act for which a license is required by this chapter.~~

~~(o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision or term of this chapter or of the applicable federal and state laws and regulations governing pharmacy, including regulations established by the board.~~

~~(p) Actions or conduct that would have warranted denial of a license.~~

~~(q) Engaging in any conduct that subverts or attempts to subvert an investigation of the board.~~

~~(r) The selling, trading, transferring, or furnishing of drugs obtained pursuant to Section 256b of Title 42 of the United States Code to any person a licensee knows or reasonably should have known, not to be a patient of a covered entity, as defined in paragraph (4) of subsection (a) of Section 256b of Title 42 of the United States Code.~~

~~(s) The clearly excessive furnishing of dangerous drugs to a closed door pharmacy by a wholesaler. Factors to be considered in determining whether the furnishing of dangerous drugs is clearly excessive shall include, but shall not be limited to, the amount of dangerous drugs furnished to a closed door pharmacy, the previous ordering pattern of the closed door pharmacy, and where and to whom the closed door pharmacy distributes the dangerous drugs.~~

~~SEC. 30. Section 4305.5 of the Business and Professions Code is amended to read:~~

~~4305.5. (a) A person who has obtained a license to conduct a wholesaler or veterinary food-animal drug retailer, shall notify the board within 30 days of the termination of employment of the designated representative-in-charge. Failure to notify the board within the 30-day period shall constitute grounds for disciplinary action.~~

~~(b) A person who has obtained a license to conduct a wholesaler or veterinary food-animal drug retailer, who willfully fails to notify the board of the termination of employment of the designated representative-in-charge, and who continues to operate the licensee in the absence of the designated~~

~~representative in charge for that location, shall be subject to summary suspension or revocation of his or her license to conduct a wholesaler or veterinary food animal drug retailer.~~

~~(c) A designated representative in charge of a wholesaler or veterinary food animal drug retailer, who terminates his or her employment at the licensee, shall notify the board within 30 days of the termination of employment. Failure to notify the board within the 30-day period shall constitute grounds for disciplinary action.~~

SEC. 31. ~~Section 4331 of the Business and Professions Code is amended to read:~~

~~4331. (a) A person who is neither a pharmacist nor a designated representative and who takes charge of a wholesaler or veterinary food animal drug retailer or who dispenses a prescription or furnishes dangerous devices except as otherwise provided in this chapter is guilty of a misdemeanor.~~

~~(b) A person who has obtained a license to conduct a veterinary food animal drug retailer and who fails to place in charge of that veterinary food animal drug retailer a pharmacist or designated representative, or any person who, by himself or herself, or by any other person, permits the dispensing of prescriptions, except by a pharmacist or designated representative, or as otherwise provided in this chapter, is guilty of a misdemeanor.~~

~~(c) A person who has obtained a license to conduct a wholesaler and who fails to place in charge of that wholesaler a pharmacist or designated representative, or any person who, by himself or herself, or by any other person, permits the furnishing of dangerous drugs or dangerous devices, except by a pharmacist or designated representative, or as otherwise provided in this chapter, is guilty of a misdemeanor.~~

SEC. 32. ~~Section 4400 of the Business and Professions Code is amended to read:~~

~~4400. The amount of fees and penalties prescribed by this chapter, except as otherwise provided, is that fixed by the board according to the following schedule:~~

~~(a) The fee for a nongovernmental pharmacy license shall be three hundred forty dollars (\$340) and may be increased to four hundred dollars (\$400).~~

~~(b) The fee for a nongovernmental pharmacy annual renewal shall be one hundred seventy five dollars (\$175) and may be increased to two hundred fifty dollars (\$250).~~

~~(c) The fee for the pharmacist application and examination shall be one hundred fifty five dollars (\$155) and may be increased to one hundred eighty five dollars (\$185).~~

~~(d) The fee for regrading an examination shall be seventy five dollars (\$75) and may be increased to eighty five dollars (\$85). If an error in grading is found and the applicant passes the examination, the regrading fee shall be refunded.~~

~~(e) The fee for a pharmacist license and biennial renewal shall be one hundred fifteen dollars (\$115) and may be increased to one hundred fifty dollars (\$150).~~

~~(f) The fee for a wholesaler license and annual renewal shall be five hundred fifty dollars (\$550) and may be increased to six hundred dollars (\$600).~~

~~(g) The fee for a hypodermic license and renewal shall be ninety dollars (\$90) and may be increased to one hundred twenty five dollars (\$125).~~

~~(h) The fee for application and investigation for a designated representative license issued pursuant to Section 4053 shall be seventy five dollars (\$75) and may be increased to one hundred dollars (\$100), except for a veterinary food animal drug retailer designated representative, for whom the fee shall be one hundred dollars (\$100).~~

~~(i) The fee for a designated representative license and annual renewal under Section 4053 shall be one hundred ten dollars (\$110) and may be increased to one hundred fifty dollars (\$150); except that the fee for the issuance of a veterinary food animal drug retailer designated representative license shall be one hundred fifty dollars (\$150), for renewal one hundred ten dollars (\$110), which may be increased to one hundred fifty dollars (\$150), and for filing a late renewal fifty five dollars (\$55).~~

~~(j) The fee for a nonresident wholesaler's license and annual renewal issued pursuant to Section 4120 shall be five hundred fifty dollars (\$550) and may be increased to six hundred dollars (\$600).~~

~~(k) The fee for registration and annual renewal of providers of continuing education shall be one hundred dollars (\$100) and may be increased to one hundred thirty dollars (\$130).~~



~~(l) The fee for evaluation of continuing education courses for accreditation shall be set by the board at an amount not to exceed forty dollars (\$40) per course hour.~~

~~(m) The fee for evaluation of applications submitted by graduates of foreign colleges of pharmacy or colleges of pharmacy not recognized by the board shall be one hundred sixty-five dollars (\$165) and may be increased to one hundred seventy-five dollars (\$175).~~

~~(n) The fee for an intern license or extension shall be sixty-five dollars (\$65) and may be increased to seventy-five dollars (\$75). The fee for transfer of intern hours or verification of licensure to another state shall be fixed by the board not to exceed twenty dollars (\$20).~~

~~(o) The board may, by regulation, provide for the waiver or refund of the additional fee for the issuance of a certificate where the certificate is issued less than 45 days before the next succeeding regular renewal date.~~

~~(p) The fee for the reissuance of any license, or renewal thereof, that has been lost or destroyed or reissued due to a name change is thirty dollars (\$30).~~

~~(q) The fee for the reissuance of any license, or renewal thereof, that must be reissued because of a change in the information, is sixty dollars (\$60) and may be increased to one hundred dollars (\$100).~~

~~(r) It is the intent of the Legislature that, in setting fees pursuant to this section, the board shall seek to maintain a reserve in the Pharmacy Board Contingent Fund equal to approximately one year's operating expenditures.~~

~~(s) The fee for any applicant for a clinic permit is three hundred forty dollars (\$340) and may be increased to four hundred dollars (\$400) for each permit. The annual fee for renewal of the permit is one hundred seventy-five dollars (\$175) and may be increased to two hundred fifty dollars (\$250) for each permit.~~

~~(t) The board shall charge a fee for the processing and issuance of a registration to a pharmacy technician and a separate fee for the biennial renewal of the registration. The registration fee shall be twenty-five dollars (\$25) and may be increased to fifty dollars (\$50). The biennial renewal fee shall be twenty-five dollars (\$25) and may be increased to fifty dollars (\$50).~~

1 ~~(u) The fee for a veterinary food-animal drug retailer license~~  
2 ~~shall be four hundred dollars (\$400). The annual renewal fee for~~  
3 ~~a veterinary food-animal drug retailer shall be two hundred fifty~~  
4 ~~dollars (\$250).~~

5 ~~(v) The fee for issuance of a retired license pursuant to Section~~  
6 ~~4200.5 shall be thirty dollars (\$30).~~

7 ~~SEC. 33.—~~

8 *SEC. 41. Section 4196 of the Business and Professions Code*  
9 *is amended to read:*

10 4196. (a) No person shall conduct a veterinary food-animal  
11 drug retailer in the State of California unless he or she has obtained  
12 a license from the board. A license shall be required for each  
13 veterinary food-animal drug retailer owned or operated by a  
14 specific person. A separate license shall be required for each of the  
15 premises of any person operating a veterinary food-animal drug  
16 retailer in more than one location. The license shall be renewed  
17 annually and shall not be transferable.

18 (b) The board may issue a temporary license, upon conditions  
19 and for periods of time as the board determines to be in the public  
20 interest. A temporary license fee shall be fixed by the board at an  
21 amount not to exceed the annual fee for renewal of a license to  
22 conduct a veterinary food-animal drug retailer.

23 (c) No person other than a pharmacist, an intern pharmacist, an  
24 exempt person, an authorized officer of the law, or a person  
25 authorized to prescribe, shall be permitted in that area, place, or  
26 premises described in the permit issued by the board pursuant to  
27 Section 4041, wherein veterinary food-animal drugs are stored,  
28 possessed, or repacked. A pharmacist or exemptee shall be  
29 responsible for any individual who enters the veterinary  
30 food-animal drug retailer for the purpose of performing clerical,  
31 inventory control, housekeeping, delivery, maintenance, or  
32 similar functions relating to the veterinary food-animal drug  
33 retailer.

34 (d) The board shall not issue or renew a veterinary food-animal  
35 retailer license until the veterinary food-animal drug retailer  
36 designates an exemptee-in-charge and notifies the board in writing  
37 of the identity and license number of that exemptee. The  
38 exemptee-in-charge shall be responsible for the veterinary  
39 food-animal drug retailer's compliance with state and federal laws  
40 governing veterinary food-animal drug retailers. Each veterinary

1 food-animal drug retailer shall designate, and notify the board of,  
2 a new exemptee-in-charge within 30 days of the date that the prior  
3 exemptee-in-charge ceases to be exemptee-in-charge. A  
4 pharmacist may be designated as the exemptee-in-charge.

5 (e) For purposes of this section, “exemptee-in-charge” means  
6 a person granted a certificate of exemption pursuant to Section  
7 4053, or a registered pharmacist, who is the supervisor or manager  
8 of the facility.

9 (f) *This section shall become inoperative and is repealed on*  
10 *January 1, 2006, unless a later enacted statute, that becomes*  
11 *operative on or before January 1, 2006, amends or repeals that*  
12 *date.*

13 SEC. 42. Section 4196 is added to the Business and  
14 Professions Code, to read:

15 4196. (a) *No person shall conduct a veterinary food-animal*  
16 *drug retailer in the State of California unless he or she has*  
17 *obtained a license from the board. A license shall be required for*  
18 *each veterinary food-animal drug retailer owned or operated by*  
19 *a specific person. A separate license shall be required for each of*  
20 *the premises of any person operating a veterinary food-animal*  
21 *drug retailer in more than one location. The license shall be*  
22 *renewed annually and shall not be transferable.*

23 (b) *The board may issue a temporary license, upon conditions*  
24 *and for periods of time as the board determines to be in the public*  
25 *interest. A temporary license fee shall be fixed by the board at an*  
26 *amount not to exceed the annual fee for renewal of a license to*  
27 *conduct a veterinary food-animal drug retailer.*

28 (c) *No person other than a pharmacist, an intern pharmacist,*  
29 *a designated representative, an authorized officer of the law, or a*  
30 *person authorized to prescribe, shall be permitted in that area,*  
31 *place, or premises described in the permit issued by the board*  
32 *pursuant to Section 4041, wherein veterinary food-animal drugs*  
33 *are stored, possessed, or repacked. A pharmacist or designated*  
34 *representative shall be responsible for any individual who enters*  
35 *the veterinary food-animal drug retailer for the purpose of*  
36 *performing clerical, inventory control, housekeeping, delivery,*  
37 *maintenance, or similar functions relating to the veterinary*  
38 *food-animal drug retailer.*

39 (d) *The board shall not issue or renew a veterinary food-animal*  
40 *retailer license until the veterinary food-animal drug retailer*

1 identifies a designated representative-in-charge and notifies the  
2 board in writing of the identity and license number of that  
3 designated representative. The designated  
4 representative-in-charge shall be responsible for the veterinary  
5 food-animal drug retailer's compliance with state and federal laws  
6 governing veterinary food-animal drug retailers. Each veterinary  
7 food-animal drug retailer shall identify, and notify the board of, a  
8 new designated representative-in-charge within 30 days of the  
9 date that the prior designated representative-in-charge ceases to  
10 be designated representative-in-charge. A pharmacist may be  
11 identified as the designated representative-in-charge.

12 (e) For purposes of this section, designated  
13 representative-in-charge means a person granted a designated  
14 representative license pursuant to Section 4053, or a registered  
15 pharmacist, who is the supervisor or manager of the facility.

16 (f) This section shall become operative on January 1, 2006.

17 SEC. 43. Section 4301 of the Business and Professions Code  
18 is amended to read:

19 4301. The board shall take action against any holder of a  
20 license who is guilty of unprofessional conduct or whose license  
21 has been procured by fraud or misrepresentation or issued by  
22 mistake. Unprofessional conduct shall include, but is not limited  
23 to, any of the following:

24 (a) Gross immorality.

25 (b) Incompetence.

26 (c) Gross negligence.

27 (d) The clearly excessive furnishing of controlled substances in  
28 violation of subdivision (a) of Section 11153 of the Health and  
29 Safety Code.

30 (e) The clearly excessive furnishing of controlled substances in  
31 violation of subdivision (a) of Section 11153.5 of the Health and  
32 Safety Code. Factors to be considered in determining whether the  
33 furnishing of controlled substances is clearly excessive shall  
34 include, but not be limited to, the amount of controlled substances  
35 furnished, the previous ordering pattern of the customer (including  
36 size and frequency of orders), the type and size of the customer,  
37 and where and to whom the customer distributes its product.

38 (f) The commission of any act involving moral turpitude,  
39 dishonesty, fraud, deceit, or corruption, whether the act is

1 committed in the course of relations as a licensee or otherwise, and  
2 whether the act is a felony or misdemeanor or not.

3 (g) Knowingly making or signing any certificate or other  
4 document that falsely represents the existence or nonexistence of  
5 a state of facts.

6 (h) The administering to oneself, of any controlled substance,  
7 or the use of any dangerous drug or of alcoholic beverages to the  
8 extent or in a manner as to be dangerous or injurious to oneself, to  
9 a person holding a license under this chapter, or to any other person  
10 or to the public, or to the extent that the use impairs the ability of  
11 the person to conduct with safety to the public the practice  
12 authorized by the license.

13 (i) Except as otherwise authorized by law, knowingly selling,  
14 furnishing, giving away, or administering or offering to sell,  
15 furnish, give away, or administer any controlled substance to an  
16 addict.

17 (j) The violation of any of the statutes of this state or of the  
18 United States regulating controlled substances and dangerous  
19 drugs.

20 (k) The conviction of more than one misdemeanor or any  
21 felony involving the use, consumption, or self-administration of  
22 any dangerous drug or alcoholic beverage, or any combination of  
23 those substances.

24 (l) The conviction of a crime substantially related to the  
25 qualifications, functions, and duties of a licensee under this  
26 chapter. The record of conviction of a violation of Chapter 13  
27 (commencing with Section 801) of Title 21 of the United States  
28 Code regulating controlled substances or of a violation of the  
29 statutes of this state regulating controlled substances or dangerous  
30 drugs shall be conclusive evidence of unprofessional conduct. In  
31 all other cases, the record of conviction shall be conclusive  
32 evidence only of the fact that the conviction occurred. The board  
33 may inquire into the circumstances surrounding the commission  
34 of the crime, in order to fix the degree of discipline or, in the case  
35 of a conviction not involving controlled substances or dangerous  
36 drugs, to determine if the conviction is of an offense substantially  
37 related to the qualifications, functions, and duties of a licensee  
38 under this chapter. A plea or verdict of guilty or a conviction  
39 following a plea of nolo contendere is deemed to be a conviction  
40 within the meaning of this provision. The board may take action

1 when the time for appeal has elapsed, or the judgment of  
2 conviction has been affirmed on appeal or when an order granting  
3 probation is made suspending the imposition of sentence,  
4 irrespective of a subsequent order under Section 1203.4 of the  
5 Penal Code allowing the person to withdraw his or her plea of  
6 guilty and to enter a plea of not guilty, or setting aside the verdict  
7 of guilty, or dismissing the accusation, information, or indictment.

8 (m) The cash compromise of a charge of violation of Chapter  
9 13 (commencing with Section 801) of Title 21 of the United States  
10 Code regulating controlled substances or of Chapter 7  
11 (commencing with Section 14000) of Part 3 of Division 9 of the  
12 Welfare and Institutions Code relating to the Medi-Cal program.  
13 The record of the compromise is conclusive evidence of  
14 unprofessional conduct.

15 (n) The revocation, suspension, or other discipline by another  
16 state of a license to practice pharmacy, operate a pharmacy, or do  
17 any other act for which a license is required by this chapter.

18 (o) Violating or attempting to violate, directly or indirectly, or  
19 assisting in or abetting the violation of or conspiring to violate any  
20 provision or term of this chapter or of the applicable federal and  
21 state laws and regulations governing pharmacy, including  
22 regulations established by the board.

23 (p) Actions or conduct that would have warranted denial of a  
24 license.

25 (q) Engaging in any conduct that subverts or attempts to  
26 subvert an investigation of the board.

27 (r) The selling, trading, transferring, or furnishing of drugs  
28 obtained pursuant to Section 256b of Title 42 of the United States  
29 Code to any person a licensee knows or reasonably should have  
30 known, not to be a patient of a covered entity, as defined in  
31 paragraph (4) of subsection (a) of Section 256b of Title 42 of the  
32 United States Code.

33 (s) *This section shall become inoperative and is repealed on*  
34 *January 1, 2006, unless a later enacted statute, that becomes*  
35 *operative on or before January 1, 2006, amends or repeals that*  
36 *date.*

37 SEC. 44. Section 4301 is added to the Business and  
38 Professions Code, to read:

39 4301. The board shall take action against any holder of a  
40 license who is guilty of unprofessional conduct or whose license



1 *has been procured by fraud or misrepresentation or issued by*  
2 *mistake. Unprofessional conduct shall include, but is not limited*  
3 *to, any of the following:*

4 *(a) Gross immorality.*

5 *(b) Incompetence.*

6 *(c) Gross negligence.*

7 *(d) The clearly excessive furnishing of controlled substances in*  
8 *violation of subdivision (a) of Section 11153 of the Health and*  
9 *Safety Code.*

10 *(e) The clearly excessive furnishing of controlled substances in*  
11 *violation of subdivision (a) of Section 11153.5 of the Health and*  
12 *Safety Code. Factors to be considered in determining whether the*  
13 *furnishing of controlled substances is clearly excessive shall*  
14 *include, but not be limited to, the amount of controlled substances*  
15 *furnished, the previous ordering pattern of the customer (including*  
16 *size and frequency of orders), the type and size of the customer, and*  
17 *where and to whom the customer distributes its product.*

18 *(f) The commission of any act involving moral turpitude,*  
19 *dishonesty, fraud, deceit, or corruption, whether the act is*  
20 *committed in the course of relations as a licensee or otherwise, and*  
21 *whether the act is a felony or misdemeanor or not.*

22 *(g) Knowingly making or signing any certificate or other*  
23 *document that falsely represents the existence or nonexistence of*  
24 *a state of facts.*

25 *(h) The administering to oneself, of any controlled substance,*  
26 *or the use of any dangerous drug or of alcoholic beverages to the*  
27 *extent or in a manner as to be dangerous or injurious to oneself,*  
28 *to a person holding a license under this chapter, or to any other*  
29 *person or to the public, or to the extent that the use impairs the*  
30 *ability of the person to conduct with safety to the public the*  
31 *practice authorized by the license.*

32 *(i) Except as otherwise authorized by law, knowingly selling,*  
33 *furnishing, giving away, or administering or offering to sell,*  
34 *furnish, give away, or administer any controlled substance to an*  
35 *addict.*

36 *(j) The violation of any of the statutes of this state or of the*  
37 *United States regulating controlled substances and dangerous*  
38 *drugs.*

39 *(k) The conviction of more than one misdemeanor or any felony*  
40 *involving the use, consumption, or self-administration of any*





1 *dangerous drug or alcoholic beverage, or any combination of*  
2 *those substances.*

3 *(l) The conviction of a crime substantially related to the*  
4 *qualifications, functions, and duties of a licensee under this*  
5 *chapter. The record of conviction of a violation of Chapter 13*  
6 *(commencing with Section 801) of Title 21 of the United States*  
7 *Code regulating controlled substances or of a violation of the*  
8 *statutes of this state regulating controlled substances or dangerous*  
9 *drugs shall be conclusive evidence of unprofessional conduct. In*  
10 *all other cases, the record of conviction shall be conclusive*  
11 *evidence only of the fact that the conviction occurred. The board*  
12 *may inquire into the circumstances surrounding the commission of*  
13 *the crime, in order to fix the degree of discipline or, in the case of*  
14 *a conviction not involving controlled substances or dangerous*  
15 *drugs, to determine if the conviction is of an offense substantially*  
16 *related to the qualifications, functions, and duties of a licensee*  
17 *under this chapter. A plea or verdict of guilty or a conviction*  
18 *following a plea of nolo contendere is deemed to be a conviction*  
19 *within the meaning of this provision. The board may take action*  
20 *when the time for appeal has elapsed, or the judgment of*  
21 *conviction has been affirmed on appeal or when an order granting*  
22 *probation is made suspending the imposition of sentence,*  
23 *irrespective of a subsequent order under Section 1203.4 of the*  
24 *Penal Code allowing the person to withdraw his or her plea of*  
25 *guilty and to enter a plea of not guilty, or setting aside the verdict*  
26 *of guilty, or dismissing the accusation, information, or indictment.*

27 *(m) The cash compromise of a charge of violation of Chapter*  
28 *13 (commencing with Section 801) of Title 21 of the United States*  
29 *Code regulating controlled substances or of Chapter 7*  
30 *(commencing with Section 14000) of Part 3 of Division 9 of the*  
31 *Welfare and Institutions Code relating to the Medi-Cal program.*  
32 *The record of the compromise is conclusive evidence of*  
33 *unprofessional conduct.*

34 *(n) The revocation, suspension, or other discipline by another*  
35 *state of a license to practice pharmacy, operate a pharmacy, or do*  
36 *any other act for which a license is required by this chapter.*

37 *(o) Violating or attempting to violate, directly or indirectly, or*  
38 *assisting in or abetting the violation of or conspiring to violate any*  
39 *provision or term of this chapter or of the applicable federal and*

1 state laws and regulations governing pharmacy, including  
2 regulations established by the board.

3 (p) Actions or conduct that would have warranted denial of a  
4 license.

5 (q) Engaging in any conduct that subverts or attempts to  
6 subvert an investigation of the board.

7 (r) The selling, trading, transferring, or furnishing of drugs  
8 obtained pursuant to Section 256b of Title 42 of the United States  
9 Code to any person a licensee knows or reasonably should have  
10 known, not to be a patient of a covered entity, as defined in  
11 paragraph (4) of subsection (a) of Section 256b of Title 42 of the  
12 United States Code.

13 (s) The clearly excessive furnishing of dangerous drugs to a  
14 closed door pharmacy by a wholesaler. Factors to be considered  
15 in determining whether the furnishing of dangerous drugs is  
16 clearly excessive shall include, but shall not be limited to, the  
17 amount of dangerous drugs furnished to a closed door pharmacy,  
18 the previous ordering pattern of the closed door pharmacy, and the  
19 general patient population to whom the closed door pharmacy  
20 distributes the dangerous drugs. This provision shall not be  
21 interpreted to require a wholesaler to obtain personal medical  
22 information or be authorized to permit a wholesaler to have access  
23 to personal medical information except as otherwise authorized by  
24 Section 56 and following of the Civil Code.

25 (t) This section shall become operative on January 1, 2006.

26 SEC. 45. Section 4305.5 of the Business and Professions Code  
27 is amended to read:

28 4305.5. (a) Any person who has obtained a license to conduct  
29 a wholesaler or veterinary food-animal drug retailer, shall notify  
30 the board within 30 days of the termination of employment of any  
31 pharmacist or exemptee who takes charge of, or acts as manager  
32 of the licensee. Failure to notify the board within the 30-day period  
33 shall constitute grounds for disciplinary action.

34 (b) Any person who has obtained a license to conduct a  
35 wholesaler or veterinary food-animal drug retailer, who willfully  
36 fails to notify the board of the termination of employment of any  
37 pharmacist or exemptee who takes charge of, or acts as manager  
38 of the licensee, and who continues to operate the licensee in the  
39 absence of a pharmacist or an exemptee approved for that location,  
40 shall be subject to summary suspension or revocation of his or her

1 license to conduct a wholesaler or veterinary food-animal drug  
2 retailer.

3 (c) Any pharmacist or exemptee who takes charge of, or acts as  
4 manager of a wholesaler or veterinary food-animal drug retailer,  
5 who terminates his or her employment at the licensee, shall notify  
6 the board within 30 days of the termination of employment.  
7 Failure to notify the board within the 30-day period shall constitute  
8 grounds for disciplinary action.

9 (d) *This section shall become inoperative and is repealed on*  
10 *January 1, 2006, unless a later enacted statute, that becomes*  
11 *operative on or before January 1, 2006, amends or repeals that*  
12 *date.*

13 SEC. 46. *Section 4305.5 is added to the Business and*  
14 *Professions Code, to read:*

15 4305.5. (a) *A person who has obtained a license to conduct*  
16 *a wholesaler or veterinary food-animal drug retailer, shall notify*  
17 *the board within 30 days of the termination of employment of the*  
18 *designated representative-in-charge. Failure to notify the board*  
19 *within the 30-day period shall constitute grounds for disciplinary*  
20 *action.*

21 (b) *A person who has obtained a license to conduct a*  
22 *wholesaler or veterinary food-animal drug retailer, who willfully*  
23 *fails to notify the board of the termination of employment of the*  
24 *designated representative-in-charge, and who continues to*  
25 *operate the licensee in the absence of the designated*  
26 *representative-in-charge for that location, shall be subject to*  
27 *summary suspension or revocation of his or her license to conduct*  
28 *a wholesaler or veterinary food-animal drug retailer.*

29 (c) *A designated representative-in-charge of a wholesaler or*  
30 *veterinary food-animal drug retailer, who terminates his or her*  
31 *employment at the licensee, shall notify the board within 30 days*  
32 *of the termination of employment. Failure to notify the board*  
33 *within the 30-day period shall constitute grounds for disciplinary*  
34 *action.*

35 (d) *This section shall become operative on January 1, 2006.*

36 SEC. 47. *Section 4331 of the Business and Professions Code*  
37 *is amended to read:*

38 4331. (a) Any person who is neither a pharmacist nor an  
39 exemptee and who takes charge of a wholesaler or veterinary  
40 food-animal drug retailer or who dispenses a prescription or

1 furnishes dangerous devices except as otherwise provided in this  
2 chapter is guilty of a misdemeanor.

3 (b) Any person who has obtained a license to conduct a  
4 veterinary food-animal drug retailer and who fails to place in  
5 charge of that veterinary food-animal drug retailer a pharmacist or  
6 exemptee, or any person who, by himself or herself, or by any  
7 other person, permits the dispensing of prescriptions, except by a  
8 pharmacist or exemptee, or as otherwise provided in this chapter,  
9 is guilty of a misdemeanor.

10 (c) Any person who has obtained a license to conduct a  
11 wholesaler and who fails to place in charge of that wholesaler a  
12 pharmacist or exemptee, or any person who, by himself or herself,  
13 or by any other person, permits the furnishing of dangerous drugs  
14 or dangerous devices, except by a pharmacist or exemptee, or as  
15 otherwise provided in this chapter, is guilty of a misdemeanor.

16 (d) *This section shall become inoperative and is repealed on*  
17 *January 1, 2006, unless a later enacted statute, that becomes*  
18 *operative on or before January 1, 2006, amends or repeals that*  
19 *date.*

20 SEC. 48. *Section 4331 is added to the Business and*  
21 *Professions Code, to read:*

22 4331. (a) *A person who is neither a pharmacist nor a*  
23 *designated representative and who takes charge of a wholesaler or*  
24 *veterinary food-animal drug retailer or who dispenses a*  
25 *prescription or furnishes dangerous devices except as otherwise*  
26 *provided in this chapter is guilty of a misdemeanor.*

27 (b) *A person who has obtained a license to conduct a veterinary*  
28 *food-animal drug retailer and who fails to place in charge of that*  
29 *veterinary food-animal drug retailer a pharmacist or designated*  
30 *representative, or any person who, by himself or herself, or by any*  
31 *other person, permits the dispensing of prescriptions, except by a*  
32 *pharmacist or designated representative, or as otherwise provided*  
33 *in this chapter, is guilty of a misdemeanor.*

34 (c) *A person who has obtained a license to conduct a*  
35 *wholesaler and who fails to place in charge of that wholesaler a*  
36 *pharmacist or designated representative, or any person who, by*  
37 *himself or herself, or by any other person, permits the furnishing*  
38 *of dangerous drugs or dangerous devices, except by a pharmacist*  
39 *or designated representative, or as otherwise provided in this*  
40 *chapter, is guilty of a misdemeanor.*



1 (d) *This section shall become operative on January 1, 2006.*

2 SEC. 49. *Section 4400 of the Business and Professions Code*  
3 *is amended to read:*

4 4400. The amount of fees and penalties prescribed by this  
5 chapter, except as otherwise provided, is that fixed by the board  
6 according to the following schedule:

7 (a) The fee for a nongovernmental pharmacy license shall be  
8 three hundred forty dollars (\$340) and may be increased to four  
9 hundred dollars (\$400).

10 (b) The fee for a nongovernmental pharmacy or medical device  
11 retailer annual renewal shall be one hundred seventy-five dollars  
12 (\$175) and may be increased to two hundred fifty dollars (\$250).

13 (c) The fee for the pharmacist application and examination  
14 shall be one hundred fifty-five dollars (\$155) and may be increased  
15 to one hundred eighty-five dollars (\$185).

16 (d) The fee for regrading an examination shall be seventy-five  
17 dollars (\$75) and may be increased to eighty-five dollars (\$85). If  
18 an error in grading is found and the applicant passes the  
19 examination, the regrading fee shall be refunded.

20 (e) The fee for a pharmacist license and biennial renewal shall  
21 be one hundred fifteen dollars (\$115) and may be increased to one  
22 hundred fifty dollars (\$150).

23 (f) The fee for a wholesaler license and annual renewal shall be  
24 five hundred fifty dollars (\$550) and may be increased to six  
25 hundred dollars (\$600).

26 (g) The fee for a hypodermic license and renewal shall be  
27 ninety dollars (\$90) and may be increased to one hundred  
28 twenty-five dollars (\$125).

29 (h) The fee for application and investigation for an exemptee  
30 license under Section 4053 shall be seventy-five dollars (\$75) and  
31 may be increased to one hundred dollars (\$100), except for a  
32 veterinary food-animal drug retailer exemptee, for whom the fee  
33 shall be one hundred dollars (\$100).

34 (i) The fee for an exemptee license and annual renewal under  
35 Section 4053 shall be one hundred ten dollars (\$110) and may be  
36 increased to one hundred fifty dollars (\$150), except that the fee  
37 for the issuance of a veterinary food-animal drug retailer exemptee  
38 license shall be one hundred fifty dollars (\$150), for renewal one  
39 hundred ten dollars (\$110), which may be increased to one

1 hundred fifty dollars (\$150), and for filing a late renewal fifty-five  
2 dollars (\$55).

3 (j) The fee for an out-of-state drug distributor's license and  
4 annual renewal issued pursuant to Section 4120 shall be five  
5 hundred fifty dollars (\$550) and may be increased to six hundred  
6 dollars (\$600).

7 (k) The fee for registration and annual renewal of providers of  
8 continuing education shall be one hundred dollars (\$100) and may  
9 be increased to one hundred thirty dollars (\$130).

10 (l) The fee for evaluation of continuing education courses for  
11 accreditation shall be set by the board at an amount not to exceed  
12 forty dollars (\$40) per course hour.

13 (m) The fee for evaluation of applications submitted by  
14 graduates of foreign colleges of pharmacy or colleges of pharmacy  
15 not recognized by the board shall be one hundred sixty-five dollars  
16 (\$165) and may be increased to one hundred seventy-five dollars  
17 (\$175).

18 (n) The fee for an intern license or extension shall be sixty-five  
19 dollars (\$65) and may be increased to seventy-five dollars (\$75).  
20 The fee for transfer of intern hours or verification of licensure to  
21 another state shall be fixed by the board not to exceed twenty  
22 dollars (\$20).

23 (o) The board may, by regulation, provide for the waiver or  
24 refund of the additional fee for the issuance of a certificate where  
25 the certificate is issued less than 45 days before the next  
26 succeeding regular renewal date.

27 (p) The fee for the reissuance of any license, or renewal thereof,  
28 that has been lost or destroyed or reissued due to a name change  
29 is thirty dollars (\$30).

30 (q) The fee for the reissuance of any license, or renewal thereof,  
31 that must be reissued because of a change in the information, is  
32 sixty dollars (\$60) and may be increased to one hundred dollars  
33 (\$100).

34 (r) It is the intent of the Legislature that, in setting fees pursuant  
35 to this section, the board shall seek to maintain a reserve in the  
36 Pharmacy Board Contingent Fund equal to approximately one  
37 year's operating expenditures.

38 (s) The fee for any applicant for a clinic permit is three hundred  
39 forty dollars (\$340) and may be increased to four hundred dollars  
40 (\$400) for each permit. The annual fee for renewal of the permit



1 is one hundred seventy-five dollars (\$175) and may be increased  
2 to two hundred fifty dollars (\$250) for each permit.

3 (t) The board shall charge a fee for the processing and issuance  
4 of a registration to a pharmacy technician and a separate fee for the  
5 biennial renewal of the registration. The registration fee shall be  
6 twenty-five dollars (\$25) and may be increased to fifty dollars  
7 (\$50). The biennial renewal fee shall be twenty-five dollars (\$25)  
8 and may be increased to fifty dollars (\$50).

9 (u) The fee for a veterinary food-animal drug retailer license  
10 shall be four hundred dollars (\$400). The annual renewal fee for  
11 a veterinary food-animal drug retailer shall be two hundred fifty  
12 dollars (\$250).

13 (v) The fee for issuance of a retired license pursuant to Section  
14 4200.5 shall be thirty dollars (\$30).

15 (w) *This section shall become inoperative and is repealed on*  
16 *January 1, 2006, unless a later enacted statute, that becomes*  
17 *operative on or before January 1, 2006, amends or repeals that*  
18 *date.*

19 SEC. 50. Section 4400 is added to the Business and  
20 Professions Code, to read:

21 4400. The amount of fees and penalties prescribed by this  
22 chapter, except as otherwise provided is that fixed by the board  
23 according to the following schedule:

24 (a) The fee for a nongovernmental pharmacy license shall be  
25 three hundred forty dollars (\$340) and may be increased to four  
26 hundred dollars (\$400).

27 (b) The fee for a nongovernmental pharmacy annual renewal  
28 shall be one hundred seventy-five dollars (\$175) and may be  
29 increased to two hundred fifty dollars (\$250).

30 (c) The fee for the pharmacist application and examination  
31 shall be one hundred fifty-five dollars (\$155) and may be increased  
32 to one hundred eighty-five dollars (\$185).

33 (d) The fee for regrading an examination shall be seventy-five  
34 dollars (\$75) and may be increased to eighty-five dollars (\$85). If  
35 an error in grading is found and the applicant passes the  
36 examination, the regrading fee shall be refunded.

37 (e) The fee for a pharmacist license and biennial renewal shall  
38 be one hundred fifteen dollars (\$115) and may be increased to one  
39 hundred fifty dollars (\$150).

1 (f) The fee for a wholesaler license and annual renewal shall be  
2 five hundred fifty dollars (\$550) and may be increased to six  
3 hundred dollars (\$600).

4 (g) The fee for a hypodermic license and renewal shall be ninety  
5 dollars (\$90) and may be increased to one hundred twenty-five  
6 dollars (\$125).

7 (h) The fee for application and investigation for a designated  
8 representative license issued pursuant to Section 4053 shall be  
9 seventy-five dollars (\$75) and may be increased to one hundred  
10 dollars (\$100), except for a veterinary food-animal drug retailer  
11 designated representative, for whom the fee shall be one hundred  
12 dollars (\$100).

13 (i) The fee for a designated representative license and annual  
14 renewal under Section 4053 shall be one hundred ten dollars  
15 (\$110) and may be increased to one hundred fifty dollars (\$150),  
16 except that the fee for the issuance of a veterinary food-animal  
17 drug retailer designated representative license shall be one  
18 hundred fifty dollars (\$150), for renewal one hundred ten dollars  
19 (\$110), which may be increased to one hundred fifty dollars  
20 (\$150), and for filing a late renewal fifty-five dollars (\$55).

21 (j) The fee for a nonresident wholesaler's license and annual  
22 renewal issued pursuant to Section 4120 shall be five hundred fifty  
23 dollars (\$550) and may be increased to six hundred dollars (\$600).

24 (k) The fee for registration and annual renewal of providers of  
25 continuing education shall be one hundred dollars (\$100) and may  
26 be increased to one hundred thirty dollars (\$130).

27 (l) The fee for evaluation of continuing education courses for  
28 accreditation shall be set by the board at an amount not to exceed  
29 forty dollars (\$40) per course hour.

30 (m) The fee for evaluation of applications submitted by  
31 graduates of foreign colleges of pharmacy or colleges of pharmacy  
32 not recognized by the board shall be one hundred sixty-five dollars  
33 (\$165) and may be increased to one hundred seventy-five dollars  
34 (\$175).

35 (n) The fee for an intern license or extension shall be sixty-five  
36 dollars (\$65) and may be increased to seventy-five dollars (\$75).  
37 The fee for transfer of intern hours or verification of licensure to  
38 another state shall be fixed by the board not to exceed twenty  
39 dollars (\$20).

(o) The board may, by regulation, provide for the waiver or refund of the additional fee for the issuance of a certificate where the certificate is issued less than 45 days before the next succeeding regular renewal date.

(p) The fee for the reissuance of any license, or renewal thereof, that has been lost or destroyed or reissued due to a name change is thirty dollars (\$30).

(q) The fee for the reissuance of any license, or renewal thereof, that must be reissued because of a change in the information, is sixty dollars (\$60) and may be increased to one hundred dollars (\$100).

(r) It is the intent of the Legislature that, in setting fees pursuant to this section, the board shall seek to maintain a reserve in the Pharmacy Board Contingent Fund equal to approximately one year's operating expenditures.

(s) The fee for any applicant for a clinic permit is three hundred forty dollars (\$340) and may be increased to four hundred dollars (\$400) for each permit. The annual fee for renewal of the permit is one hundred seventy-five dollars (\$175) and may be increased to two hundred fifty dollars (\$250) for each permit.

(t) The board shall charge a fee for the processing and issuance of a registration to a pharmacy technician and a separate fee for the biennial renewal of the registration. The registration fee shall be twenty-five dollars (\$25) and may be increased to fifty dollars (\$50). The biennial renewal fee shall be twenty-five dollars (\$25) and may be increased to fifty dollars (\$50).

(u) The fee for a veterinary food-animal drug retailer license shall be four hundred dollars (\$400). The annual renewal fee for a veterinary food-animal drug retailer shall be two hundred fifty dollars (\$250).

(v) The fee for issuance of a retired license pursuant to Section 4200.5 shall be thirty dollars (\$30).

(w) This section shall become operative on January 1, 2006.

SEC. 51. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a

- 1 crime within the meaning of Section 6 of Article XIII B of the
- 2 California Constitution.

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